Arizona Tariff No. 6 Original Title Page

INTEREXCHANGE TELECOMMUNICATIONS SERVICES TARIFF

This Tariff, XO Communications Services, Inc. Arizona Tariff No. 6, replaces in its entirety, XO Arizona, Message Toll Services Arizona Tariff No. 3

XO Communications Services, Inc.

Regulations, Descriptions, and Rates

Applicable to Furnishing

Message Toll Services

Within the State of Arizona

ADMINISTRATIVELY
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Issued: January 6, 2005

CHECK SHEET

Pages of this tariff, as indicated below, are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

PAGE	REVISION		PAGE	REVISION		PAGE	REVISION	
1	Original	*	26	Original	*	51	Original	*
2	Original	*	27	Original	*	52	Original	*
3	Original	*	28	Original	*	53	Original	*
4	Original	*	29	Original	*	54	Original	*
5	Original	*	30	Original	*	55	Original	*
6	Original	*	31	O ri ginal	*	56	Original	*
7	Original	*	32	Original	*	57	Original	*
8	Original	*	33	Original	*	58	Original	*
9	Original	*	34	Original	*	59	Original	*
10	Original	*	35	Original	*	60	Original	*
11	Original	*	36	Original	*	61	Original	*
12	Original	*	37	Original	*	62	Original	*
13	Original	*	38	Original	*	63	Original	*
14	Original	*	39	Original	*	64	Original	*
15	Original	*	40	Original	*	65	Original	*
16	Original	*	41	Original	*	66	Original	*
17	Original	*	42	Original	*	67	Original	*
18	Original	*	43	Original	*	68	Original	*
19	Original	*	44	Original	*	69	Original	*
20	Original	*	45	Original	*	70	Original	*
21	Original	*	46	Original	*	71	Original	*
22	Original	*	47	Original	*	72	Original	*
23	Original	*	48	Original	*	73	Original	*
24	Original	*	49	Original	*	74	Original	*
25	Original	*	50	Original	*	75	Original	*

^{* -} indicates those pages included with this filing

ADMINISTRATIVELY
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Issued: January 6, 2005

CHECK SHEET, (CONT'D.)

PAGE	REVISION		PAGE	REVISION		PAGE	REVISION
76	Original	*	101	Original	*	-	
77	Original	*	102	Original	*		
78	Original	*	103	Original	*		
79	Original	*	104	Original	*		
80	Original	*	105	Original	*		
81	Original	*	106	Original	*		
82	Original	*	107	Original	*		
83	Original	*	108	Original	*		
84	Original	*	109	Original	*		
85	Original	*	110	Original	*		
86	Original	*	111	Original	*		
87	Original	*	112	Original	*		
88	Original	*					
89	Original	*					
90	Original	*					
91	Original	*					
92	Original	*					
93	Original	*					
94	Original	*					
95	Original	*					
96	Original	*					
97	Original	*					
98	Original	*					
99	Original	*					
100	Original	*					

^{* -} Indicates pages included with this filing.

ADMINISTRATIVELY
APPROVED FOR FILING

Issued: January 6, 2005

TABLE OF CONTENTS

TITLE	PAGE		Page Cover	
CHEC	K SHEET	•	1	
TABL	E OF CO	NTENTS	3	
APPL	ICATION	OF TARIFF	8	
CARR	IERS		9	
EXPL	ANATION	N OF SYMBOLS	10	
SECT	ION 1 - D	DEFINITIONS	11	
SECT	ION 2 - R	RULES AND REGULATIONS	13	
2.1	Under	taking of the Company	13	
	2.1.1	Scope	13	
	2.1.2	Shortage of Equipment and Facilities	13	
	2.1.3	Terms and Conditions	14	
	2.1.4	Liability of the Company	16	
		Notification of Service Affecting Activities	20	
	2.1.6	Provision of Equipment and Facilities	21	
	2.1.7	Special Construction	23	
	2.1.8	Ownership of Facilities	23	
2.2		Use of Service		
	221	Prohibited Uses	24	

ADMINISTRATIVELY
APPROVED FOR FILING

Issued: January 6, 2005

TABLE OF CONTENTS, (CONT'D.)

			rage
SECT	ION 2 - R	RULES AND REGULATIONS, (CONT'D.)	
2.3		ations of the Customer	25
	2.3.1	Customer Responsibilities	25
	2.3.2	Claims	27
	2.3.3	Liability for Calling Card Fraud	28
2.4	Custo	mer Equipment and Channels	29
	2.4.1	In General	29
	2.4.2	Station Equipment	29
	2.4.3	Interconnection of Facilities	30
	2.4.4	Inspections and Testing	30
2.5	Payme	ent Arrangements	31
	2.5.1	Payment for Service	31
	2.5.2	Billing and Collection of Charges	31
	2.5.3	Advance Payments	33
	2.5.4	Deposits	34
	2.5.5	Discontinuance of Service	35
	2.5.6	Cancellation of Application for Service	38
2.6	Allow	rance for Interruptions in Service	39
	2.6.1	Credit for Interruptions	39
	2.6.2	Limitations on Allowances	41
	2.6.3	Use of an Alternative Service	42
	2.6.4	Cancellation for Service Interruptions	42
2.7	Cance	Cancellation of Service	
2.8	Trans	fers and Assignments	43
2.9	Notice	es and Communications	44

ADMINISTRATIVELY
APPROVED FOR FILING

Issued: January 6, 2005

TABLE OF CONTENTS, (CONT'D.)

The following sections will apply to customers who are served by a Central Office where the former XO Arizona, Inc. has facilities and to existing Customers of XO Communications Services, Inc. as of February 7, 2005.

Category One - Sections 3.1 thru 3.12

			Page
SECTI	ON 3 - D	ESCRIPTION OF SERVICES AND RATES	45
3.1		old and Platinum Services	45
	3.1.1	Usage Rates	46
	3.1.2	Access Lines	47
	3.1.3	Payphone Surcharge	47
	3.1.4	Calling Card Service	48
	3.1.5	Verified Account Codes	49
	3.1.6	Discount	50
3.2	Dedica	ated Long Distance Services	51
	3.2.1	Features	52
	3.2.2	Operator Service Surcharges	53
3.3	XOPT	FION Service Offering	54
	3.3.1	Term Discounts	55
3.4	Multip	ple Service Discount #2	56
3.5	InterL	ATA Network Access	57
	3.5.1	Description of Service	57
	3.5.2	Rates and Charges	57
3.6	InterL	ATA Private Line Service	61
	3.6.1	DS-1 Long haul Mileage Rates	62
	3.6.2	DS-1 Long haul Mileage Rates	66
	3.6.3	OC-3 Transport Rates	69
	3.6.4	OC-12 Transport Rates	72
3.7	Emplo	oyee Long Distance Program	73
3.8	Satisf	action Guarantee	74
3.9	XO P	repaid Card Service	76
3.10	Direct	tory Assistance	81
3.11	Promo	otions	83
3.12	Custo	mer Specific Pricing	83

ADMINISTRATIVELY APPROVED FOR FILING



TABLE OF CONTENTS, (CONT'D.)

The following sections will apply to customers who are served by a Central Office where the former Allegiance Telecom of Arizona, Inc. has facilities and to existing Customers of XO Communications Services, Inc. as of February 7, 2005.

Category Two - Sections 3.13 thru 3.16

	,	Page
SECTI	ION 3 - DESCRIPTION OF SERVICES AND RATES	
3.13	IntraLATA Message Telecommunications Service (MTS)	84
3.14	Uni-rate InterLATA Long distance Service (ULD)	88
3.15	Toll Free 8XX Service	89
3.16	Across America 1+ Plans	90
		Page
SECT	ION 40 – GRANDFATHERED SERVICES AND RATES	92
4.1	Gold and Platinum	92
4.2	Dedicated Long Distance	92

The following sections will apply to customers who were served by the former Allegiance Telecom of Arizona, Inc. as of December 15, 2004.

Sections 4.3 thru 4.7

		Page
SECT	ION 4 0 – GRANDFATHERED SERVICES AND RATES	
4.3	IntraLATA Message Telecommunications Service (MTS)	92
4.4	Uni-rate InterLATA Long Distance Service (ULD)	96
4.5	Toll Free 8XX Service	97
4.6	Across America 1+ Plans	98
4.7	Current Rates	100

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TABLE OF CONTENTS, (CONT'D.)

The following sections will apply to customers who are served by a Central Office where the former XO Arizona, Inc. has facilities and to existing Customers of XO Communications Services, Inc. as of February 7, 2005.

Category One - Sections 5.1 thru 5.6

		Page
SECT	ION 5 - CURRENT PRICES	93
5.1	Gold and Platinum	93
5.2	Dedicated Long Distance	94
5.3	Private Line Service	95
	5.3.1 DS-1 Transport Rates	.95
	5.3.2 DS-3 Transport Rates	97
	5.3.3 OC-3 Transport Rates	99
	5.3.4 OC-12 Transport Rates	101
	5.3.5 OC-48 Transport Rates	101
5.4	Employee Long Distance Program	102
5.5	XO Prepaid Card Service	102
5.6	Directory Assistance	102

The following sections will apply to customers who are served by a Central Office where the former Allegiance Telecom of Arizona, Inc. has facilities and to existing Customers of XO Communications Services, Inc. as of February 7, 2005.

Category Two - Sections 5.7 thru 5.10

	·	Page
SECT	ION 5 - CURRENT PRICES	103
5.7	IntraLATA Message Telecommunications Service (MTS)	103
5.8	Uni-rate InterLATA Long Distance Service (ULD)	103
5.9	Toll Free 8XX Service	103
5.10	Across America 1+ Plans	104

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XO COMMUNICATIONS SERVICES, INC.



INTEREXCHANGE TELECOMMUNICATIONS SERVICES TARIFF

APPLICATION OF TARIFF

This tariff contains the regulations and rates applicable to the provision of intrastate message toll services by XO Communications Services, Inc. (hereinafter the "Company") from its operating locations throughout the state of Arizona. Service is furnished by means of wire, terrestrial microwave radio, optical fibers, satellite circuits or a combination thereof. Service is subject to transmission, atmospheric conditions and like conditions.

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CONCURRING CARRIERS

No Concurring Carriers

CONNECTING CARRIERS

No Connecting Carriers

OTHER PARTICIPATING CARRIERS

No Other Participating Carriers

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EXPLANATION OF SYMBOLS

Revisions of this tariff are coded through the use of symbols. These symbols appear in the right margin of the sheet. The symbols and their meanings are:

- (C) To signify changed conditions or regulation.
- **(D)** To signify discontinued rate, regulation or condition.
- (I) To signify increase.
- (K) To signify that material has been transferred to another sheet or place in the tariff.
- (M) To signify that material has been transferred from another sheet or place in the tariff.
- (N) To signify a new rate, regulation, condition or sheet.
- (O) To signify no change.
- (R) To signify reduction.
- (T) To signify a change in text for clarification.

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SECTION 1 – DEFINITIONS

Advance Payment - Part or all of a payment required before the start of service.

Authorized User - A person, firm or corporation which is authorized by the Customer or joint user to be connected to the service of the Customer or joint user.

Company - XO Communications Services, Inc., the issuer of this tariff, which is a Delaware corporation, or any of its affiliates which concur in this tariff.

Company Calling Card - A telephone calling card issued by the Company at the Customer's request, which enables the Customer or User(s) authorized by the Customer to place telephone calls and to have the charges for such calls billed to the Customer's account.

Customer - The person, firm or corporation which orders service and is responsible for the payment of charges and compliance with the Company's regulations.

Individual Case Basis (ICB) - A service arrangement in which the regulations, rates and charges are developed based on the specific circumstances of the Customer's situation.

IntraLATA Service - Service which originates and terminates within the same Local Access Transport Area (LATA).

InterLATA Service - Service which originates within one Local Access Transport Area (LATA) and terminates in a different LATA.

M/M - Month to month.

MOU - Minutes of use.

Non-Recurring Charges - The one-time initial charges for services or facilities, including but not limited to charges for construction, installation or special fees for which the Customer becomes liable at the time the Service Order is executed.

Primary InterLATA Carrier ("PIC") - Long distance carrier designated by a telephone subscriber to provide the Customer with interLATA service without having to dial a special access code.

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SECTION 1 – DEFINITIONS (CONT'D.)

Originating Off-Net - A call originating on and placed via non-company owned or company leased facilities.

Originating On-Net - A call originating on and placed via company owned facilities.

Recurring Charges - The monthly charges to the Customer for services, facilities and equipment which continue for the agreed upon duration of the service.

Service Order - The written request for communications services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff.

Station - Denotes the network control signaling unit and any other equipment provided at the Customer's premises which enables a customer to establish communications connections and to effect communications through such connections.

Station-to-Station - Service where the person originating the call from other than a public or semi-public coin telephone dials the telephone number desired and the call is completed without the assistance of a Company operator and the call is not billed to a number other than the originating number.

Two Point Message Toll Service - Furnishing of facilities for telecommunications between different local calling areas in accordance with the regulations and schedule of rates specified in this tariff. The rates specified in this tariff are in payment for all services furnished between the calling and called stations.

United States - The 48 contiguous states and the District of Columbia, Hawaii, Alaska, Puerto Rico, the US Virgin Islands, as well as the off-shore areas outside the boundaries of the coastal states of the 48 contiguous states to the extent that such areas appertain to and are subject to the jurisdiction and control of the United States.

User or End User - Any person or entity that obtains the Company's services provided under this tariff, regardless of whether such person or entity is so authorized by the Customer.

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SECTION 2 – RULES AND REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to provide domestic interstate message toll service in accordance with the terms and conditions set forth in this tariff.

The rates and regulations contained in this tariff do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carrier for use in accessing the services of the Company.

2.1.2 Shortage of Equipment or Facilities

The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.

The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities, including facilities the Company may obtain from other carriers, to furnish service.

The provisioning and restoration of services in emergencies shall be in accordance with Part 64, Support D, Appendix A, of the Federal Communications Commission's Rules and Regulations, which specifies the priority system for such activities.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.1 Undertaking of the Company (Cont'd.)

2.1.3 Terms and Conditions

- A. Except as otherwise provided herein, service is provided on the basis of a minimum period of at least one month and shall continue to be provided until canceled by the Customer, in writing, on not less than 30 days notice. For the purpose of computing charges in this tariff, a month is considered to have 30 days.
- B. Customers may be required to enter into written Service Orders which shall contain or reference the name of the Customer, a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.
- C. At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month to month basis at the then current rates unless terminated by either party upon 30 days written notice. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which, by their nature, extend beyond the termination of the term of the service order shall survive such termination.
- **D.** In any action between the parties to enforce any provision of this tariff, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.1 Undertaking of the Company (Cont'd.)

2.1.3 Terms and Conditions (Cont'd.)

- **E.** Service may be terminated upon written notice to the Customer if:
 - .1 the Customer is using the service in violation of this tariff, or
 - .2 the Customer is using the service in violation of the law, or as set forth in Section 2.5.5 of this Tariff.
- F. The Customer agrees to operate Company-provided equipment in accordance with instructions of the Company or its agents. Failure to do so will void Company liability for interruption of service and may make the Customer responsible for damage to equipment pursuant to Section 2.1.3.7 below.
- G. The Customer agrees to return to the Company all Company-provided equipment delivered to the Customer within five (5) days of termination of the service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to the Customer, except for normal wear and tear.

Customer agrees to reimburse the Company, upon demand, for any reasonable costs incurred by the Company due to the Customer's failure to comply with this provision.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.1 Undertaking of the Company (Cont'd.)

Liability of the Company 2.1.4

- A. The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, errors, or other defects, representations, or use of these services, or arising out of the failure to furnish the service, whether caused by acts of omission, shall be limited to the extension of allowances for interruption as set forth in Section 2.6. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts, omissions or negligence of the Company's employees or agents.
- B. Except for the extension of allowances to the Customer for interruption in service as set forth in Section 2.6, the Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.
- C. The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other state or local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lockouts, work stoppages, or other labor difficulties.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.1 Undertaking of the Company (Cont'd.)

2.1.4 Liability of the Company (Cont'd.)

- D. The Company shall not be liable for any claims for loss or damages involving any act or omission of (a) any entity furnishing to the Company or to the Company's Customers' facilities or equipment used in conjunction with services or facilities provided by the Company; or (b) common carriers or warehousemen.
- E. The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.
- F. The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by the Customer or any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any installation so provided. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this section as a condition precedent to such installations.
- G. The Company is not liable for any defacement of, or damage to, Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.1 Undertaking of the Company (Cont'd.)

2.1.4 Liability of the Company (Cont'd.)

- H. Notwithstanding the Customer's obligations as set forth in Section 2.3 below, the Company shall be indemnified, defended and held harmless by the Customer, or by others authorized by it to use the service, against any claim, loss or damage arising from Customer's use of services furnished under this tariff, including: claims for libel, slander, invasion of privacy or infringement of copyright arising from the material, data, information, or other content transmitted via the Company's service; patent infringement claims arising from combining or connecting the service offered by the Company with apparatus and systems of the Customer or others; and all other claims arising out of any act or omission of the Customer or others, in connection with any service provided by the Company pursuant to this tariff.
- I. The entire liability of the Company for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid by Customer for the specific services giving rise to the claim. No action or proceeding against the Company shall be commenced more than thirty (30) days after the date of the occurrence that gave rise to the claim.
- J. The Company shall be indemnified and held harmless by the End User against any claim, loss or damage arising from the End User's use of services offered under this tariff including: claims for libel, slander, invasion of privacy or infringement of copyright arising from the End User's own communications; patent infringement claims arising from the End User's combining or connecting the service offered by the Company with facilities or equipment furnished by the End User of another carrier; and all other claims arising out of any act or omission of the End User in connection with any service provided pursuant to this tariff.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.1 Undertaking of the Company (Cont'd.)

2.1.4 Liability of the Company (Cont'd.)

- K. The Company does not guarantee or make any warranty with respect to service installations at locations at which there is present an atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such installations. The Customer and End User shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other actions, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to, or death of, any person, or persons, or for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of service furnished by the Company at such locations.
- L. With respect to Telecommunications Relay Service (TRS), any service provided by the Company which involves receiving, translating, transmitting or delivering messages by telephone, text telephone, a telecommunications device for the deaf, or any other instrument over the facilities of the Company or any connecting carrier, the Company's liability for the interruption or failure of the service shall not exceed an amount equal to the Company's charge for a one minute call to the called station at the time the affected call was made.

ADMINISTRATIVELY
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SECTION 2 - RULES AND REGULATIONS (CONT'D.)

2.1 Undertaking of the Company (Cont'd.)

2.1.4 Liability of the Company (Cont'd.)

- M. The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed.
- N. The Company assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, or for other facilities provided by other entities used for service to the Customer, even if the Company has acted as the Customer's agent in arranging for such facilities or services. Such facilities are provided subject to such degree of protection or non-preemptibility as may be provided by the other entities.
- O. The Company makes no warranties or representations, express or implied either in fact or by operation of law, statutory or otherwise, including warranties of merchantability or fitness for a particular use, except those expressly set forth herein.

2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.1 Undertaking of the Company (Cont'd)

2.1.6 Provision of Equipment and Facilities

- A. The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of, and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.
- **B.** The Company shall use reasonable efforts to maintain facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- C. The Company may substitute, change or rearrange any equipment or facility at any time, but shall not thereby alter the technical parameters of the service provided to the Customer.
- **D.** Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which the Company provided it.

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SECTION 2 - RULES AND REGULATIONS (CONT'D.)

2.1 Undertaking of the Company (Cont'd)

2.1.6 Provision of Equipment and Facilities (Cont'd)

- E. The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:
 - .1 the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission; or
 - .2 the reception of signals by Customer-provided equipment; or
 - .3 network control signaling where such signaling is performed by Customerprovided network control signaling equipment.

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SECTION 2 - RULES AND REGULATIONS (CONT'D.)

2.1 Undertaking of the Company (Cont'd)

2.1.7 Special Construction

Subject to the arrangement of the Company and to all of the regulations contained in this tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is that construction undertaken:

- **A.** where facilities are not presently available, and Company agrees to construct those facilities;
- **B.** of a type other than that which the Company would normally utilize in the furnishing of its services;
- C. over a route other than that which the Company would normally utilize in the furnishing of its services;
- **D.** in a quantity greater than that which the Company would normally construct;
- E. on an expedited basis;
- F. on a temporary basis until permanent facilities are available;
- **G.** involving abnormal costs; or
- **H.** in advance of its normal construction.

Special construction charges will be determined on a case by case basis.

2.1.8 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains with the Company, its agents, contractors or suppliers.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.2 Use of Service

Service is provided for use by the Customer and may be used by others, when so authorized by the Customer, provided that all such usage shall be subject to the provisions of this tariff, and shall not affect the Customer's responsibility for all payments required under this tariff.

2.2.1 Prohibited Uses

- A. The services the Company offers shall not be used for any unlawful purpose or for any use for which the Customer has not obtained all required governmental approvals, authorization, licenses, consents and permits.
- **B.** The Company may require a Customer to immediately shut down its transmission if such transmission is causing interference to others.
- C. The Customer may not use the services so as to interfere with or impair service over any facilities and associated equipment, or so as to impair the privacy of any communications over such facilities and associated equipment.

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SECTION 2 - RULES AND REGULATIONS (CONT'D.)

2.3 Obligations of the Customer

2.3.1 Customer Responsibilities

The Customer shall be responsible for:

- **A.** the payment of all applicable charges pursuant to this tariff;
- B. damage to or loss of Company facilities or equipment caused by the acts or omissions of the Customer; by the noncompliance by the Customer with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;
- C. providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space and power to operate Company facilities and equipment installed on the Customer Premises, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;
- D. obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of fiber optic cable and associated equipment used to provide Network Services to the Customer from the Company's designated point of termination or property line to the location of the equipment space described in 2.3.1 (c). Any costs associated with the obtaining and maintaining of the rights-of-way described herein, including the costs of altering the structure to permit installation of Company-provided facilities, shall be borne entirely by, or may be charged by the Company to, the Customer;

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.3 Obligations of the Customer (Cont'd)

2.3.1 Customer Responsibilities (Cont'd)

- E. providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining Company facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to Company employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g. friable asbestos) prior to any construction or installation work;
- F. complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to the location of Company facilities and equipment in any Customer premises or the right-of-way for which Customer is responsible under section 2.3.1(d); and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.3 Obligations of the Customer (Cont'd)

2.3.2 Claims

With respect to any service or facilities provided by the Company, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorney fees for:

- A. any loss, destruction or damage to property of the Company or any third party, or the death or injury to persons, including, but not limited to, employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or
- B. any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of Company services and facilities in a manner not contemplated by the agreement between Customer and the Company.

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SECTION 2 - RULES AND REGULATIONS (CONT'D.)

2.3 Obligations of the Customer (Cont'd)

2.3.3 Liability for Calling Card Fraud

- A. The Customer is liable for the unauthorized use of the Company's facilities, equipment, and services obtained through the fraudulent or other unauthorized use of a Company Calling Card, provided that the unauthorized use occurs before the Company has been notified.
- B. The Customer's liability for unauthorized use shall not exceed the lesser of \$50 or the amount of services obtained by the unauthorized use prior to notification to the Company. Notwithstanding the foregoing, in situations where the Company issues 10 or more calling cards to a Customer for use by its employees, the Company and the Customer may agree on the Customer's liability for unauthorized use on a case by case basis without regard to this subsection.
- C. The Customer must give the Company notice that unauthorized use of a Company Calling Card has occurred or may occur as a result of loss, theft or other reasons. For the purposes of this section, notice occurs when the Company receives oral or written confirmation that unauthorized use of a Company Calling Card has occurred or may occur as a result of loss, theft or other reasons. Written notice shall be sent to the Company's address as designated pursuant to Section 2.9.2 and will be effective when received, and oral notice shall be made by contacting a Company representative at the Company's business office or by telephone at the Company's listed telephone number.
- D. The Company may, but is not required to, advise the Customer of abnormal calling patterns or other possible unauthorized use of Company Calling Cards assigned to the Customer. In addition, the Company may, but is not required to, block calls on a Company Calling Card personal identification number which the Company believes to be unauthorized or fraudulent.

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SECTION 2 - RULES AND REGULATIONS (CONT'D.)

2.4 Customer Equipment and Channels

2.4.1 In General

A Customer may transmit or receive information or signals via the facilities of the Company.

2.4.2 Station Equipment

- A. Customer-provided terminal equipment on the Customer Premises and the electric power consumed by such equipment shall be provided and maintained at the expense of the Customer.
- B. The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

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SECTION 2 - RULES AND REGULATIONS (CONT'D.)

2.4 Customer Equipment and Channels (Cont'd)

2.4.3 Interconnection of Facilities

- A. Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing service and the channels, facilities, or equipment of others shall be provided at the Customer's expense.
- **B.** The Company's service may be connected to the services or facilities of other communications companies only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications companies which are applicable to such connections.

2.4.4 Inspection and Testing

- A. Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in section 2.4.2.2 for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.
- B. If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm. The Company will, upon request, provide the Customer with technical parameters that the Customer's equipment must meet.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.5 Payment Arrangements

2.5.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer or to authorized or joint users. For the purposes of this tariff, all rates are in U.S. dollars.

A. Taxes

The Customer is responsible for the payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges, however designated (excluding taxes on the Company's net income), imposed on or based upon the provision, sale or use of the Company's services. All such taxes shall be separately designated on the Company's invoices. If an entity other than the Company (e.g., another carrier or a supplier) imposes charges on the Company, in addition to its own internal costs, in connection with a service for which the Company's Non-recurring Charge is specified, those charges will be passed on to the Customer. It shall be the responsibility of the Customer to pay any such taxes that subsequently become applicable retroactively.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.2 Billing and Collection of Charges

The Customer is responsible for the payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company.

The Company shall bill on a month-to-month basis all charges incurred by, and credits due to, the Customer under this tariff attributable to services established, provided, or discontinued.

- A. Non-recurring charges are due and payable within 30 days after the date an invoice is mailed to the Customer by the Company.
- **B.** The Company shall present invoices for usage sensitive, Recurring Charges monthly to the Customer subsequent to the usage. Recurring and usage sensitive charges shall be due and payable within 30 days after the invoice is mailed to the Customer by the Company.
- C. When service does not begin on the first day of the month, or end of the last day of the month, the charge for the action of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.
- D. Billing of the Customer by the Company will begin on the Service Commencement Date, which is the first day following the date on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the service order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- E. If any portion of the payment is received by the Company after the date due, or if any portion of the payment is received by the Company in funds which are not immediately available, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the due date, multiplied by a late factor of 1.5%.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.3 Advance Payments

To safeguard its interests, the Company may require a Customer to make an advance payment before services and facilities are furnished. In addition, where special construction is involved, the advance payment may also include an amount equal to the estimated Non-Recurring Charges for the special construction and Recurring Charges (if any) for a period to be set between the Company and the Customer. The advance payment will be credited to the Customer's initial bill. An advance payment may be required in addition to a deposit.

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SECTION 2 -- RULES AND REGULATIONS (CONT'D.)

2.5 Payment Arrangements (Cont'd.)

Deposits 2.5.4

- Applicants for service or existing Customers whose financial condition is not A. acceptable to the Company, or is not a matter of general knowledge, may be required at any time to provide the Company a security deposit. All deposits will be handled in accordance with the provisions of the Commission's rules. The deposit requested will be in cash or the equivalent of cash, and will be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to:
 - two and one-half (2 ½) month's charges for a service or facility which has .1 a minimum payment period of one month; or
 - the charges that would apply for the minimum payment period for a .2 service or facility which has a minimum payment period of more than one month; except that the deposit may include an additional amount in event that a termination charge is applicable. In addition, the Company shall be entitled to require such an applicant or Customer to pay all its bills within a specified period of time, and to make such payments in cash or the equivalent of cash. At the Company's option, such deposit may be refunded to the Customer's account at any time. Also, the Company reserves the right to cease accepting and processing Service Orders after it has requested a security deposit and prior to the Customer's compliance with this request.
- B. A deposit may be required in addition to an advance payment.
- C. When a service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, the Company may, at its option, return the deposit or credit it to the Customer's account.
- D. Deposits held will accrue interest at a rate specified by the Arizona Corporation Commission.

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SECTION 2 - RULES AND REGULATIONS (CONT'D.)

2.5 Payment Arrangements (Cont'd.)

2.5.5 Discontinuance of Service

- A. Upon nonpayment of any amount owing the Company, the Company may, by giving requisite prior written notice to the Customer, discontinue or suspend service without incurring any liability.
- **B.** Upon violation of any of the other material terms or conditions for furnishing service, the Company may, by giving 30 days prior written notice to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
- C. Upon condemnation of any material portion of the facilities used by the Company or its agents to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.
- D. Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, or abandonment of service, the Company may, with prior notice to the Customer, immediately discontinue or suspend service without incurring any liability.
- **E.** Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.5 Payment Arrangements (Cont'd.)

2.5.5 Discontinuance of Service, (cont'd.)

- F. The Company may discontinue the furnishings of any and/or all service(s) which the Company is legally entitled to disconnect, to a Customer, without incurring any liability, immediately and without notice, if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or services, if
 - .1 the Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of Common Carrier communications services or its planned use of service(s);
 - .2 the Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of Common Carrier communications services, or its planned use of the Company's service(s);
 - .3 the Customer has been given ten (10) days written notice by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's other common carrier communications services to which the Customer either subscribes or had subscribed or used; or
 - .4 the Customer uses, or attempts to use, service with the intent to avoid the payment, either in whole or in part, of the tariffed charges for the service by:
 - (a) using or attempting to use service by rearranging, tampering with, or making connections to the Company's service not authorized by this tariff; or
 - (b) using tricks, schemes, false or invalid numbers, false credit devices, electronic devices; or
 - (c) any other fraudulent means or devices; or

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SECTION 2 -- RULES AND REGULATIONS (CONT'D.)

2.5 Payment Arrangements (Cont'd)

2.5.5 Discontinuance of Service (Cont'd)

F. (Cont'd)

- .5 use of service in such a manner as to interfere with the service of other users; or
- .6 use of service for unlawful purposes.
- G. The Company may discontinue the furnishings of any and/or all service(s) which the Company is legally entitled to disconnect, to a Customer, without incurring any liability, upon ten (10) days written notice to the Customer, after failure of the Customer to comply with a request made by the Company for security for the payment of service in accordance with Section 2.5.4; or
 - (a) ten (10) days after sending the Customer written notice of noncompliance with any provision of this tariff if the non-compliance is not corrected within that (10) day period; or
 - (b) upon five (5) days written notice for non-payment of a bill for service.
- H. The suspension or discontinuance of service(s) by the Company pursuant to this Section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished during the time of or up to suspension or discontinuance.
- I. Upon the Company's discontinuance of service to the Customer, all applicable charges, including termination charges, shall become due. This is in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff.

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SECTION 2 - RULES AND REGULATIONS (CONT'D.)

2.5 Payment Arrangements (Cont'd)

2.5.6 Cancellation of Application for Service

- A. Applications for service cannot be canceled unless the Company otherwise agrees. Where the Company permits Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.
- B. Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply. In such case, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the construction or arrangements.

The special charges described in 2.5.6.B will be calculated and applied on a case-by-case-basis.

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SECTION 2 - RULES AND REGULATIONS (CONT'D.)

2.6 Allowances for Interruptions in Service

Interruptions in service, which are not due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer or the operation or malfunction of the facilities, power or equipment provided by the Customer, will be credited to the Customer as set forth in 2.6.1 for the part of the service that the interruption affects.

2.6.1 Credit for Interruptions

- A. A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under this tariff. An interruption period begins when a Customer reports a service, facility or circuit is interrupted and releases it for testing and repair. An interruption period ends when the service, facility or circuit is repaired or is inoperative but the Customer declines to release it for testing and repair.
- **B.** For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the rates specified thereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.6 Allowances for Interruptions in Service (Cont'd)

2.6.1 Credit for Interruptions (Cont'd)

C. A credit allowance will be given for interruptions of 15 minutes or more. Credit allowances will be calculated as follows:

Interruptions of 24 hours or Less:

Length of Period to be Credited	Interruption Credit
Less than 15 minutes	None
15 minutes to, but not including, 3 hours	1/10 Day
3 hours up to, but not including, 6 hours	1/5 Da y
6 hours up to, but not including, 9 hours	2/5 Day
9 hours up to, but not including, 12 hours	3/5 Day
12 hours up to, but not including, 15 hours	4/5 Day
15 hours up to, but not including, 24 hours	One Day

Two or more interruptions of 15 minutes or more during any 24-hour period shall be considered as one interruption.

Interruptions Over 24 Hours and Less Than 72 Hours. Interruptions over 24 hours and less than 72 hours will be credited 1/5 day for each 3-hour period or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

Interruptions Over 72 Hours. Interruptions over 72 hours will be credited 2 days for each full 24-hour period. No more than 30 days credited will be allowed for any one month period.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.6 Allowances for Interruptions in Service (Cont'd.)

2.6.2 Limitations on Allowances

No credit allowance will be made for:

- A. interruptions due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Company;
- **B.** interruptions due to the negligence of any person other than the Company, including but not limited to the Customer or other common carriers connected to the Company's facilities;
- C. interruptions due to the failure or malfunction of non-Company equipment;
- **D.** interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- **E.** interruptions of service during a period in which the Customer continues to use the service on an impaired basis;
- **F.** interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- G. interruption of service due to circumstances or causes beyond the control of the Company;
- **H.** interruptions of service not reported to the Company within thirty (30) days of the date that service was affected.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.6 Allowances for Interruptions in Service (Cont'd.)

2.6.3 Use of an Alternative Service

Should the Customer elect to use another means of communications during the period of interruption, the Customer must pay the charges for the alternative service used.

2.6.4 Cancellation For Service Interruption

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12-month period. The right to cancel service under this provision applies only to the single circuit which has been subject to the outage or cumulative service credits.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.7 Cancellation of Service

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption (as defined in 2.6.1 above), Customer agrees to pay to Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and shall be payable within the period set forth in 2.5.2: 1) all Non-Recurring charges reasonably expended by the Company to establish service to Customer, plus 2) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by the Company on behalf of Customer, plus 3) all Recurring Charges specified in the applicable Service Order for the balance of the then current term.

2.8 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent company or affiliate of the Company; (b) pursuant to any sale or transfer of substantially all the assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.9 Notices and Communications

- 2.9.1 The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.
- 2.9.2 The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- 2.9.3 Except as otherwise provided in Section 2.3.2, all notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.9.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth in Section 2.9.3.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES

The following sections will apply to customers who are served by a Central Office where the former XO Arizona, Inc. has facilities and to existing Customers of XO Communications Services, Inc. as of February 7, 2005.

Category One - Sections 3.1 thru 3.12

3.1 Gold and Platinum Services

Gold and Platinum Services provide the Company's customers with direct dialed communications services which are available for use by its customers on a twenty-four (24) hours a day seven days a week basis. Customers may originate Gold and Platinum services from locations served by the Company, and may terminate such calls to any location within the United States. Gold and Platinum Services include 1+ Outbound and Inbound (Toll Free) Service, Operator Assistance, Calling Card and Directory Assistance Services as set forth below:

For the purposes of this Section 3.1, timing of messages will be determined by the following method.

Chargeable time begins when connection is established between the calling station and the called station.

Chargeable time ends when the calling station "hangs up" thereby releasing the network connection. If the called station "hangs up" but the calling station does not, chargeable time ends when the network connection is released by automatic timing equipment in the telephone network.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES

3.1 Gold and Platinum Services, (Cont'd.)

3.1.1 Usage Rates

Usage Rates for Gold and Platinum Services are billed in six (6) second increments with an initial billing period of six seconds. The duration of each call for bill purposes will be rounded off to the nearest highest increment. Fractional cents will be rounded to the nearest cent using natural rounding, however, there will be a minimum charge of \$0.01 per completed call. The following rates apply to intrastate interLATA and IntraLATA calls.

Platinum is an On-Net service where the Company is the provider of dial tone. Gold is an Off-Net service where the local dial tone is provided by a LEC other than the Company.

A. Rates for Outbound and Inbound (Toll Free) Services:

Platinum	Minimum \$0.03	Maximum \$0.11
Gold	\$0.03	0.15

There is an additional \$1.50 monthly recurring charge (MRC) per each Toll-Free number, in addition to the Usage Rates.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.1 Gold and Platinum Services, (Cont'd.)

3.1.2 Access Lines

Where the Company is not the provider of local exchange access service to the customer, the Company may, at the customer's request and where available, order such local exchange access service from the applicable LEC. In such cases the Company reserves the right to charge the customer, in lieu of the Company's tariffed access rates, a rate equal to the rates charged by the applicable LEC to the Company, including any adjustments to such charges necessary to reflect any rate changes instituted by the applicable local exchange carrier. Customers who select the Company as their local exchange provider will be billed pursuant to applicable Company tariffs.

3.1.3 Payphone Surcharge

A payphone surcharge will be charged for all originating payphone traffic including local, calling card, toll-free switched and dedicated services traffic, and any 10-10-XXX-0-plus dial around service traffic.

Maximum \$5.00

Per Call

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.1 Gold and Platinum Services, (Cont'd.)

3.1.4 Calling Card Service

The Company Calling Card Service is provided to Customers for use when away from their established service locations within the State. The Company will issue Company Calling Cards that will allow Customers to place telephone calls and to re-originate calls, a feature which allows a Customer to place a new call without hanging-up and re-dialing the toll free access number Access to the Company's Calling Card is gained by dialing a Company-designated toll free access number (e.g. 800-NXX-XXXX) and then entering a 10 digit account number plus a four digit personal identification number (PIN) and the called telephone number.

A. Rates

Rates for this Section 3.1.5.1 are usage sensitive and billed in an initial eighteen (18) second increment and six (6) second increments thereafter. The duration of each call for bill purposes will be rounded off to the nearest highest increment. Fractional cents will be rounded off to the nearest higher cent. There will be a minimum charge of \$0.01 per call. The following rates apply on a per minute basis to all Company Calling Card Calls issued by the Company originating and terminating within the State.

Maximum \$3.00 per MOU

N/----

Company Calling Card Rate

B. Operator Assistance

Customer's placing an operator assisted calling card call as a Gold and Platinum Service Customer or Customer will be charged a rate of \$1.05 per call for direct connect/station-to-station and \$4.95 per call for direct connect/person-to-person.

	Maximum	
	Automated	Live Operator
Calling Card/Credit Card	\$5.00	\$10.00
Third Number Billing	\$5.00	\$10.00
Collect Calling	\$5.00	\$10.00
Person to Person	\$5.00	\$10.00
Station to Station	\$5.00	\$10.00

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.1 Gold and Platinum Services, (Cont'd.)

3.1.5 Verified Account Codes

Verified Authorization codes used to restrict and/or monitor long distance usage. Upon the customer's request, 1+ dialing is limited to caller with authorization access. The caller dials the 1+ number, is prompted for the code, and then connects to the dialed party.

	Maximum	
•	MRC	NRC
Verified Account Codes (1-100)	\$100.00	\$100.00
Verified Account Codes		
Per 100 after first 100	\$100.00	\$100.00
Changes to Verified Account Codes		
Per Change	\$50.00	\$100.00

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.1 Gold and Platinum Services, (Cont'd.)

3.1.6 Discount

Customers are eligible for discounts based on usage levels and contract terms as shown below. Elements included in determining the annual commitment level, excluding taxes and surcharges, are: local line monthly recurring charges; local usage; interastate, interstate and international long distance usage; calling card usage; international toll-free usage, internet service, DSL services, conference calling services and private line services. The discount will be applied monthly in the form of a credit off the bottom line of the Customer's bill. The discount will be applied to the following elements: intrastate and interstate toll-free and outbound services; intrastate and interstate calling card services; international toll-free; and other international services. In the event customer's Company billings fail to equal or exceed Customer's Gold/Platinum revenue commitment, Company will bill Customer for the actual amount of Company service utilized plus the difference between the actual amount of service utilized and Customer's annual revenue commitment.

Discount Schedule:

Annual Commitment Level	1 Year	2 Year	3 Year
\$3,600	5.0%	6.5%	8.5%
\$6,000	7.5%	9.5%	11.5%
\$12,000	12.5%	14.5%	16.5%
\$18,000	15.0%	17.0%	19.0%
\$24,000	17.5%	19.5%	21.5%
\$60,000	20.0%	22.0%	24.0%
\$120,000	22.0%	24.0%	26.0%
\$240,000	24.0%	26.0%	28.0%
\$600,000	26.0%	28.0%	30.0%

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.2 Dedicated Long Distance

Dedicated Long Distance provides Customer, where technically feasible, with a dedicated facility from the Customer premise to Company's interexchange point of presence. To be eligible for this product, Customer must agree to a minimum annual commitment level of at least \$3,600. Elements included in determining the annual commitment level are: local line monthly recurring charges, excluding taxes and surcharges; intrastate, interstate, and international long distance usage; calling card usage; and international toll-free usage, internet service, DSL services, CAP services, conference calling services, and private line services. If the Customer terminates agreement before its expiration date, Customer is liable for any unfulfilled annual commitment amounts for each partial and entire year remaining in the contract term. The rates and charges described below do not include the applicable local loop charges.

The duration of each call for bill purposes will be rounded up to the nearest highest increment. Calls are billed in six second increments. Fractional cents will be rounded to the nearest cent using natural rounding, however, there will be a minimum charge of \$0.01 per call. Per minute charges and the discount schedule apply to outbound (1+) and inbound (toll-free) calls.

Intrastate Long Distance Rate Minimum Maximum \$0.03 \$0.11

Customer may also choose any number of special features for the rates indicated.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.2 Dedicated Long Distance (Cont'd)

3.2.1 Features

Feature	MRC	NRC
Verified Account Codes (1-100)	\$100.00	\$100.00
Verified Account Codes – per 100 after first 100		
Changes to Verified Account Codes, per change	\$50.00	\$100.00
Toll Free Number – per number	\$25.00	\$25.00
Toll Free Number Directory Listing - 1-4 listings	\$50.00	\$100.00
Toll Free Number Directory Listing - 5-10 listings	\$100.00	\$150.00
Toll Free – Real Time ANI	\$300.00	\$500.00
Allows Customer to receive calling party's telephone		
number as a component of the call set-up		
Toll Free – Digital Number Identification Service	\$100.00	\$300.00
Allows Customer with multiple toll free numbers at the		
same location to identify and dynamically route the specific		
toll free numbers to a different point of termination.		
Toll Free - Call Blocking/Area Code (per change)	\$50.00	\$500.00
Allows Customer to specify areas from which toll free calls		
can or cannot originate. Customer can block access by		
county, state, LATA or NPA.		
Toll Free – Overflow to Dedicated*	\$50.00	\$200.00
Allows Customer to control potential congestion of calls by		
sending overflow to a pre-determined dedicated access		
trunk. The dedicated long distance per minute rate above		
applies to these calls.		
Toll Free – Overflow to Switched*	\$50.00	\$200.00
Allows Customer to control potential congestion of calls by		
sending overflow to a pre-determined switched access		
trunk. The per minute rate for these calls is found in		
Section 3.1.1.1 of this tariff.		

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Maximum

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SECTION 3 - DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.2 Dedicated Long Distance (Cont'd)

3.2.2 Operator Service Surcharges

Rates apply on a per call basis.

	Waamun		
	Automated	Live Operator	
Calling Card/Credit Card	\$5.00	\$10.00	
Third Number Billing	\$5.00	\$10.00	
Collect Calling	\$5.00	\$10.00	
Person to Person	\$5.00	\$10.00	
Station to Station	\$5.00	\$10.00	
Directory Assistance	\$10.00		
Direct Connect/Station-to-Station	\$10.00		
Direct Connect/Person-to-Person	\$10.00		

The Company provides its Dedicated Long Distance service to end-users for their long distance service needs and thus should only be utilized by the end-user for their long distance traffic. Customers who elect to place local calls across such service (intentionally or unintentionally) will be billed at the applicable Dedicated Long Distance intrastate/intraLATA toll rate.

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SECTION 3 - DESCRIPTION OF SERVICES AND RATES (CONT'D.).

3.3 XOPTION Service Offering

The XOption Service Offering is a bundled offering for Business customers who purchase, at the same customer location, local exchange, inbound and outbound domestic long distance and DSL or Dedicated Internet Services from the Company. This service is subject to the availability of facilities and only offered where technically feasible.

Rates indicated below do not include sales, use, gross receipts, excise, access or other local, state and federal taxes, charges, user fees, or surcharges.

Pursuant to the XOption Service Offering set-forth in Section 3.1.3 of XO Local Exchange Tariff, the Customer will receive a specified amount of monthly use for local exchange service and a specified amount of inbound and outbound domestic long distance service, depending upon the option selected. Additional intrastate inbound and outbound domestic long distance minutes of use above the specified amount listed for XOptions 1-16 shall be billed in six second increments at a rate of \$0.05 per minute of use. Additional intrastate inbound and outbound domestic long distance minutes of use above the specified amount listed for XOption "M" shall be billed in six second increments at a rate of \$0.06 per minute of use. Additional interstate domestic long distance usage above the specified amount for all XOptions will be billed pursuant to the Terms and Conditions governing interstate long distance traffic found on Company's website. Unused domestic long distance minutes may not be carried over to subsequent months or transferred to other users.

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SECTION 3 - DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.3 XOPTION Service Offering (Cont'd.)

In addition to the services offered in the bundle promotion, Customers will be billed at the following rates for usage of the following optional services:

International Service - Customers choosing Option Numbers One (1) through Four (4) and Seven (7) through Eleven (11) and Sixteen (16) will be the Platinum Small Business Plan provided pursuant to the Terms and Conditions governing international traffic found on Company's website. Customers choosing Option Numbers Five (5) Six (6), Twelve (12) and Thirteen – Fifteen (13 – 15) will be the Platinum Medium Business Plan provided pursuant to the Terms and Conditions governing international traffic found on Company's website for international use.

Calling Card Service - Calling Card Service is available at \$0.20 per minute, with an initial billing period of eighteen (18) seconds and six (6) second increments thereafter.

3.3.1 Term Discounts:

XOption customers who choose one of the following term commitments will receive the following discount. The discount is applied to the Monthly Recurring charge, and domestic long distance usage above the bundled minutes of use included in each XOption. The discount will not be offered with any other discounts. The term discounts are as follows:

2 Years =

5% Discount

3 Years =

10% Discount

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.4 Multiple Service Discount #2

XO Multiple Service #2 is available to current or new XO Business Customers meeting the criteria listed below. Customer will receive a 15% discount off the combined total amount of the Monthly Recurring and Usage charges for their XO local exchange, local calling features, IntraLATA, InterLATA, 800 toll service, calling card, Shared Web Hosting and DSL or Dedicated Internet Access Service. Sales, use, gross receipts, excise, access or other local, state and federal taxes, charges, user fees, or surcharges are not included. Service is subject to the availability of facilities and offered only where technically feasible. This 15% discount is applied in addition to any term discount offered on the individual service components listed below. The following are not eligible with the Multiple Service Discount: XOption Offering; Integrated Access Offering; XO Dedicated Long Distance; other promotions; Individual Case Basis (ICB) contracts, or any off tariff pricing. To be eligible, Customers must meet the following criteria:

- **3.4.1** Customers must subscribe to XO local exchange, long distance and calling card services ("Voice Service"). The Local Exchange Voice requirement is a minimum of 48 lines or trunks (or 2 T-1 equivalents) but no more than 144 lines or trunks (or 6 T-1 equivalents);
- **3.4.2** Customers must subscribe to XO DSL or Dedicated Internet Access service, and XO Shared Web Hosting service ("Data Service"). Does not apply to Dedicated Web Hosting;
- 3.4.3 New XO Customers must commit to a term of service for the XO Voice Service and Data Service for minimum one (1) year term commitment. Existing XO Customers must commit to a term of service for Data Service that is equal to or greater than the amount of time remaining in Customer's term commitment for the XO Voice Service listed in 1 above, but in no case shall the commitment be less than one (1) year;
- 3.4.4 Current Customers' XO account must be current as of the date of Installation and no outstanding balance past due; and

If, for any reason, Customer's service is terminated prior to the end of Customer's term commitment, the Customer will be liable for all discounted amounts provided under this Service Discount Plan.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.5 InterLATA Network Access

3.5.1 Description of Service

Company InterLATA Network Access is an InterLATA service that provides a dedicated transmission path between two customer designated premises. Where InterLATA Network Access is available, service is offered as a high capacity dedicated transmission facility available 24 hours per day, 7 days per week in the following bandwidths: DS1 (1.544 Mbps) and DS3 (44.436 Mbps).

The facilities to the customer-designated premises may be entirely On-Net or Off-Net. Customers may commit to one, two or three year service terms. The minimum service period for InterLATA Network Access is one year. Should the Customer terminate service prior to the end of the term commitment, the Customer will be billed a termination charge equal to the monthly recurring charge times the number of months remaining in the term.

3.5.2 Rates and Charges

Rates and charges for InterLATA Network Access service are defined herein and are based on the locations of the customer designated premises in relation to Company's network. Specifically, Customers will be charged according to whether the customer-designated premises are On-Net or Off-Net. As used herein, On-Net service shall mean service to the Customer designated premises is provided entirely over Company facilities. Off-Net service shall mean service to the Customer designated premises is not provided entirely over Company facilities. Instead, service to the Customer designated premises is provided by Company, in whole or in part, through the use, purchase or lease of facilities from a service provider other than Company.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.5 InterLATA Network Access, (Cont'd.)

Rates and Charges (Cont'd)

Rate Elements: Two rate elements apply to InterLATA Network Access: A. Channel Termination and Network Access Mileage.

Channel Termination - The Channel Termination rate element provides for the dedicated transmission path between two customer-designated premises. One Channel Termination charge applies per point of termination. Termination charge applies when the customer designated premises and the serving wire center are collocated in the same building.

Network Access Mileage - The Network Access Mileage rate element provides for the dedicated transmission facilities path between the customer's serving wire centers associated with the two customer designated premises. The Mileage rate element is made up of two charges: a flat rate per circuit ("Fixed") and flat a permile rate ("Variable").

The Mileage rate element will be rounded up to the next mile for any fraction of a mile. For example, 0.001 miles will be charged at 1 mile. If both locations of Customer's designated premises are within the same central office, Mileage charges will not apply.

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SECTION 3 - DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.5 InterLATA Network Access, (Cont'd.)

Rates and Charges (Cont'd) 3.5.2

B. Rate Application

The following chart designates the applicable Rate Elements based on the location of the Customer designated Premises.

Locations of Customer	Applicable Rate Elements
Designated Premises	
On-Net	Channel Termination charge(s);
Off-Net	Channel Termination charges; plus applicable
	Mileage Charges

On-Net-DS1

	Channel Termination		Network Access Mileage Charge	
Term	MRC	NRC-Installation	Fixed	Variable
1 yr	\$92.00	\$313.25	NA	NA
2yr	\$92.00	\$313.25	NA	NA
3уг	\$84.00	\$313.25	NA	NA
Off-Net I	OS1			
1 yr	\$207.00	\$313.25	\$90.00	\$12.00
2 yr	\$207.00	\$313.25	\$90.00	\$12.00
3 yr	\$189.00	\$313.25	\$76.50	\$10.20

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

InterLATA Network Access, (Cont'd.) 3.5

Rates and Charges (Cont'd) 3.5.2

Rate Application, (continued) В.

On-Net-DS3

Channel Termination		Network Access Mileage Charge		
Term	MRC	NRC-Installation	Fixed	Variable
1 yr	\$92.00	\$313.25	NA	NA
2yr	\$92.00	\$313.25	NA	NA
3уг	\$84.00	\$313.25	NA	NA
Off-Net 1	DS3			
1 yr	\$207.00	\$313.25	\$90.00	\$12.00
2 yr	\$207.00	\$313.25	\$90.00	\$12.00
3 yr	\$189.00	\$313.25	\$76.50	\$10.20

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.6 **InterLATA Private Line Service**

Company InterLATA Private Line is a InterLATA service, which is used in conjunction with InterLATA Network Access. InterLATA Private Line Service provides a dedicated transmission path that originates or terminates at a Company Point of Presence (POP). Where InterLATA Private Line is available, service is offered as a high capacity dedicated transmission facility available 24-hours per day, 7 days per week in the following bandwidths: DS1 (1.544 Mbps) and DS3 (44.436 Mbps).

The facilities to the customer-designated premises may be entirely On-Net or Off-Net. Customers may commit to one, two or three year service terms. The minimum service period for InterLATA Private Line is one year. Should the Customer terminate service prior to the end of the term commitment, the Customer will be billed a termination charge equal to the monthly recurring charge times the number of months remaining in the term.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.6 InterLATA Private Line Service, (Cont'd.)

3.6.1 DS-1 Long haul Mileage Rates

Rates and charges for InterLATA Private Line service is defined herein and is based on the locations of the customer designated premises in relation to the Company's network. Specifically, Customers will be charged according to whether the customer-designated premises are On-Net or Off-Net. As used herein, On-Net service shall mean service to the Customer designated premises is provided entirely by Company over its own facilities. Off-Net service shall mean service to the Customer designated premises is not provided entirely over Company facilities. Instead, service to the Customer designated premises is provided by Company, in whole or in part, through the use, purchase or lease of the facilities from a service provider other than Company.

A. Rate Elements:

The rate element that applies to InterLATA Private Line is Long haul Mileage.

The Long haul Mileage rate element provides for the dedicated transmission facilities path between the Company POPs associated with the two customer designated premises. The Long haul Mileage rate element is made up of one variable charge: a flat, per-mile rate.

The Long haul Mileage rate element will be rounded up to the next mile for any fraction of a mile. For example, 0.001 miles will be charged at 1 mile.

Long haul Mileage charges do not apply for a circuit between two on-net locations in the same LATA that are less 5 miles or less apart.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.6 InterLATA Private Line Service (Cont'd)

3.6.2 DS-1 Long haul Mileage Rates

B. Rates for Off-Net Customers - one or both ends of circuit terminates at a location off of XO's network.

Minimum Monthly Revenue Commitment		Maximum \$350.00 Maximum	
Installation (non-recurring) Channel Mileage	1 Year \$700.00	2 Year \$700.00	3 Year \$700.00
Monthly Recurring Charge Per DS0 Mile	\$2.00	\$2.00	\$2.00

C. Rates for On-Net Customers - both ends of circuit terminate on XO's network. These rates are no longer effective after December 14, 2001.

Minimum Monthly Revenue Commitment		Maximum \$350.00 Maximun	•
Installation (non-recurring)	1 Year \$700.00	2 Year \$700.00	3 Year Waived
Channel Mileage Monthly Recurring			
Charge Per DS0 Mile	\$2.00	\$2.00	\$2.00

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.6 InterLATA Private Line Service (Cont'd.)

3.6.1 DS-1 Long haul Mileage Rates ,(cont'd.)

C. Rates for On-Net Customers – both ends of circuit terminate on XO's network. These rates are available to customers who sign up for service on or after December 14, 2001.

	Maximum		
Term:	1 Year	2 Year	3 Year
Installation (non-recurring)	\$700.00	\$700.00	\$600.00

The Monthly Recurring Charge per DS0 Mile is based on contract term and monthly revenue commitments as follows:

	Maximum			
Monthly Revenue	1 Year	2 Year	3 Year	
\$0 - \$100,000	\$1.00	\$1.00	\$1.00	
\$100,001 - \$300,000	\$1.00	\$1.00	\$1.00	
\$300,001 - \$1,000,000	\$1.00	\$1.00	\$1.00	
\$1,000,001 - \$2,000,000	\$1.00	\$1.00	\$1.00	
\$2,000,001 +	\$1.00	\$1.00	\$1.00	

D. Rates for "Forward" Customers - both ends of circuit anticipated to terminate on XO's network within 24 months of service start date.

Installation (non-recurring)			Year 3 Year
Channel Mileage			
Monthly Recurring			
Charge Per DS0 Mile	NA	\$2.00	\$2.00

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Maximum \$350.00

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Minimum Monthly Revenue Commitment

SECTION 3 - DESCRIPTION OF SERVICES AND RATES (CONT'D.)

- 3.6 InterLATA Private Line Service (Cont'd.)
 - 3.6.1 DS-1 Long haul Mileage Rates ,(cont'd.)
 - E. Other non-recurring charges

	Maximum
Non-recurring charges	
Cancellation prior to install	\$250.00
Cancellation during install, prior to acceptance	\$450.00

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.6 InterLATA Private Line Service (Cont'd.)

DS-3 Long haul Mileage Rates

Rates for Off-Net Customers - one or both ends of circuit terminate at a location A. off of XO's network.

Minimum Monthly Revenue Commitment	nent	Maximum \$3000.00 Maximum	
	1 Year	2 Year	3 Year
Installation (non-recurring)	\$3000.00	\$3000.00	\$3000.00
Channel Mileage			
Monthly Recurring			
Charge Per DS0 Mile	\$1.50	\$1.50	\$1.50

В. Rates for On-Net Customers - both ends of circuit terminate on XO's network. These rates are no longer available to new customers after December 14, 2001.

Minimum Monthly Revenue Com	mitment	Maximum \$3000.00	
	1 Year	Maximum 2 Year	ı 3 Year
Installation (non-recurring)	\$3000.00	\$3000.00	Waived
Channel Mileage			
Monthly Recurring			
Charge Per DS0 Mile	\$1.50	\$1.50	\$1.50

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SECTION 3 - DESCRIPTION OF SERVICES AND RATES (CONT'D.)

InterLATA Private Line Service (Cont'd.) 3.6

DS-3 Long haul Mileage Rates, (cont'd.)

C. Rates for On-Net Customers – both ends of circuit terminate on XO's network. These rates are available to customers who sign up for service on or after December 14, 2001.

	Maximum		
Term:	1 Year	2 Year	3 Year
Installation (non-recurring)	\$3000.00	\$2500.00	\$2500.00

The Monthly Recurring Charge per DS0 Mile is based on contract term and monthly revenue commitments as follows:

	Maximum			
Monthly Revenue	1 Year	2 Year	3 Year	
\$0 - \$100,000	\$1.00	\$1.00	\$1.00	
\$100,001 - \$300,000	\$1.00	\$1.00	\$1.00	
\$300,001 - \$1,000,000	\$1.00	\$1.00	\$1.00	
\$1,000,001 - \$2,000,000	\$1.00	\$1.00	\$1.00	
\$2,000,001 +	\$1.00	\$1.00	\$1.00	

Rates for "Forward" Customers - both ends of circuit anticipated to terminate on D. XO's network within 24 months of service start date.

Minimum Monthly Revenue Commitment		
	Maximur	-
1 Year Not Available	2 Year \$3000.00	3 Year \$3000.00
NA	\$1.00	\$1.00
	1 Year Not Available	Maximus 1 Year 2 Year Not \$3000.00 Available

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Maximum

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

- 3.6 InterLATA Private Line Service (Cont'd.)
 - 3.6.2 DS-3 Long haul Mileage Rates, (cont'd.)
 - E. Other non-recurring charges

	Maximum
Non-recurring charges	
Cancellation prior to install	\$200.00
Cancellation during install, prior to acceptance	\$450.00
Monthly Recurring Charge	
3-1 Mux	\$650.00

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

InterLATA Private Line Service (Cont'd.) 3.6

OC-3 Transport Rates 3.6.3

Rates for Off-Net Customers - one or both ends of circuit terminate at a location A. off of XO's network.

Minimum Monthly Revenue Commit	tment	Maximum \$3000.00 Maximum		
Installation (non-recurring) Channel Mileage	1 Year \$6000.00	2 Year \$6000.00	3 Year \$6000.00	
Monthly Recurring Charge Per DS0 Mile	ICB	ICB	ICB	

Rates for On-Net Customers - both ends of circuit terminate on XO's network. В. These rates are no longer available to new customers after December 14, 2001.

		Maximum	
Minimum Monthly Revenue Com	nmitment	ICB	
		Maximum	l
	1 Year	2 Year	3 Year
Installation (non-recurring)	\$6000.00	\$6000.00	Waived
Channel Mileage			
Monthly Recurring			
Charge Per DS0 Mile	ICB	ICB	ICB

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.6 InterLATA Private Line Service (Cont'd.)

3.6.3 OC-3 Transport Rates, (cont'd.)

C. Rates for On-Net Customers – both ends of circuit terminate on XO's network. These rates are available to customers who sign up for service on or after December 14, 2001.

	Maximum		
Term:	1 Year	2 Year	3 Year
Installation (non-recurring)	\$6000.00	\$5500.00	\$5500.00

The Monthly Recurring Charge per DS0 Mile is based on contract term and monthly revenue commitments as follows:

Monthly Revenue	Maximum		
	1 Year	2 Year	3 Year
\$0 - \$100,000	\$1.00	\$1.00	\$1.00
\$100,001 - \$300,000	\$1.00	\$1.00	\$1.00
\$300,001 - \$1,000,000	\$1.00	\$1.00	\$1.00
\$1,000,001 - \$2,000,000	\$1.00	\$1.00	\$1.00
\$2,000,001 +	\$1.00	\$1.00	\$1.00

D. Rates for "Forward" Customers - both ends of circuit anticipated to terminate on XO's network within 24 months of service start date.

	Maximum		
Installation (non-recurring)	1 Year Not Available	2 Year \$6000.00	3 Year \$6000.00
Channel Mileage Monthly Recurring Charge Per DS0 Mile	NA	ICB	ICB

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Maximum

ICB

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Minimum Monthly Revenue Commitment



SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

- 3.6 InterLATA Private Line Service (Cont'd.)
 - 3.6.3 OC-3 Transport Rates, (cont'd.)
 - E. Other non-recurring charges

	Maximum
Non-recurring charges	
Cancellation prior to install	\$250.00
Cancellation during install, prior to acceptance	\$700.00

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.6 InterLATA Private Line Service (Cont'd.)

3.6.4 OC-12 Transport Rates

A. Rates for On-Net Customers – both ends of circuit terminate on XO's network.

	Maximum		
Term:	1 Year	2 Year	3 Year
Installation (non-recurring)	\$15,000.00	\$15,000.00	\$13,000.00

The Monthly Recurring Charge per DS0 Mile is based on contract term and monthly revenue commitments as follows:

	Maximum			
Monthly Revenue	1 Year	2 Year	3 Year	
\$0 - \$100,000	\$1.00	\$1.00	\$1.00	
\$100,001 - \$300,000	\$1.00	\$1.00	\$1.00	
\$300,001 - \$1,000,000	\$1.00	\$1.00	\$1.00	
\$1,000,001 - \$2,000,000	\$1.00	\$1.00	\$1.00	
\$2,000,001 +	\$1.00	\$1.00	\$1.00	

3.6.5 OC-48 Transport Rates

A. Rates for On-Net Customers – both ends of circuit terminate on XO's network.

	Maximum		
Term:	1 Year	2 Year	3 Year
Installation (non-recurring)	\$40,000.00	\$35,000.00	\$35,000.00

The Monthly Recurring Charge per DS0 Mile is based on contract term and monthly revenue commitments as follows:

		Maximum			
Monthly Revenue	1 Year	2 Year	3 Year		
\$0 - \$100,000	\$1.00	\$1.00	\$1.00		
\$100,001 - \$300,000	\$1.00	\$1.00	\$1.00		
\$300,001 - \$1,000,000	\$1.00	\$1.00	\$1.00		
\$1,000,001 - \$2,000,000	\$1.00	\$1.00	\$1.00		
\$2,000,001 +	\$1.00	\$1.00 ADMIN	\$1.00 JISTRATIVELY		
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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.7 Employee Long Distance Program

The Employee Long Distance Program provides Company Regular Full-Time and Part-Time employees who choose Company as their primary interexchange carrier with the following long distance and toll free rates. Employees are responsible for applicable taxes and surcharges.

	Maximum
InterLATA Long Distance	\$0.25
IntraLATA Long Distance	\$0.25
InterLATA Toll Free	\$0.25
IntraLATA Toll Free	\$0.25

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Issued: January 6, 2005

SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.8 Satisfaction Guarantee

XO is offering the following Satisfaction Guarantee to new customers purchasing services offered in this tariff that meet the requirements below. This offer is available to a New Customer, which is defined as a Customer who has not subscribed to any XO service during the one year period prior to subscribing to new XO service. Pursuant to this offering, a New Customer may cancel its new Service, without incurring contractual penalties, within three (3) months of the Service installation date if the New Customer is not completely satisfied with the Services provided by XO. (A month is equal to 30 calendar days.) In order to be eligible for this offering, a New Customer must not have received telecommunications service from another Service Provider at the location to which the new XO services are provided, or the New Customer must switch back to the Service Provider that provided New Customer's telecommunications service prior to New Customer subscribing to the new XO service.

New Customer must notify XO, in writing (via certified or overnight delivery with signature) with the XO claim form no later than three (3) months from the date of Service installation and before contacting their previous provider, of its intent to discontinue the Services. New Customer must allow XO a minimum of 30 days from the day of New Customer's notice, for the cancellation of the Services, including re-connection to the original Service Provider. After receipt of New Customer's timely notice, XO, in conjunction with the termination of New Customer's Service, will waive any applicable contract termination charges.

XO also will reimburse the New Customer for any installation charges incurred by New Customer to restore the New Customer to its previous Service Provider at the identical level and type of service provided by the previous Service Provider at the same customer location. In order to receive the reimbursement, the New Customer must, within (3) months of the installation date, provide XO with the following: (1) the XO reimbursement form; (2) a copy of the invoice from the other Service Provider posting the non-recurring charges for restoring New Customer's service to the other Service Provider; and (3) a copy of the last invoice that the New Customer had received from the other Service Provider prior to switching to XO, if applicable.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.8 Satisfaction Guarantee (Cont'd)

If New Customer previously did not have a provider other than XO at the location to which the Services are provided, or if the previous Service Provider will not or cannot provide the identical level and type of service previously provided to New Customer, XO will reimburse New Customer any initial XO installation charges New Customer incurred in conjunction with the installation of Service. All reimbursements will be in the form of a check. Credits will not be given.

XO is not liable for any outage or inconvenience to New Customer relating to restoring the New Customer to its previous Service Provider. The New Customer is responsible to pay XO for all charges for XO new Service provided to the New Customer through and including the date of Service termination prior to receiving reimbursement from XO.

This is not available to customers receiving non-standard pricing, non-standard products, or non-standard terms and conditions (e.g., individual case basis prices, products, or terms and conditions), or customers for whom XO performed Special Construction or Special Configurations. Special Construction is defined in Section 2.1.7 of this tariff. Special Configuration refers to the situation in which a customer's service connection is established through a non standard network architecture design.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.9 XO Prepaid Card Service

Prepaid Cards allow customers to acquire cards that are used to originate outbound direct dial calls. Prepaid cards are available in various dollar denominations as set forth below. To use the card, callers must dial an access number. When the call is acknowledged, the caller then enters the PIN. At this point, the caller is notified of the dollar value remaining on the card. The caller then enters the telephone number to be called.

XO's Prepaid Card service is available twenty-four hours a day, seven days a week from Dual Tone Multi Frequency phones. The number of available XO Prepaid Cards is subject to technical limitations. Such cards will be offered to Customers on a first come, first served basis.

XO will offer consumers the ability to purchase its prepaid cards in various dollar denominations. Each prepaid card will remain active until such time as the charges (as set forth below) equal the dollar value of the prepaid card purchased by the end-use or until the card expires (as set forth below). Where the dollar value left on an XO Prepaid Card is less than the cost of making a call, the card will be retired and the unused balance forfeited.

Option 1 Cards will expire the sooner of five years from the date of activation or one year from the date of first use unless recharged and then one year from the date of last recharge.

Option 2 & 3 Cards will expire the sooner of five (5) years from the date of activation or six months from the date of first use unless recharged, or six month from the date of last recharge, if any.

3.9.1 XO Prepaid Card Face Value

The following per minute of use rates will apply in addition to the charges set forth in Sections 3.9.2 through 3.9.4 below, as applicable. Calls will be billed in 60 second increments. The Initial Period is the first minute or fraction therefore of the call. The Additional Period is each minute or fraction thereof which occurs after the initial period is complete. These prices include taxes that are calculated based on usage. They do not include sales or excise taxes due at the point of purchase. XO Prepaid Card service rates apply twenty-four hours per day, seven days per week.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.9 XO Prepaid Card Service, (Cont'd.)

3.9.1 XO Prepaid Card Face Value, (cont'd.)

XO Prepaid Card Face Value

Initial Period	Each Additional Period
\$0.125	\$0.125
\$0.120	\$0.120
\$0.115	\$0.115
\$0.100	\$0.100
\$0.02399	\$0.0239
\$0.02399	\$0.02399
\$0.02399	\$0.02399
\$0.079	\$0.079
\$0.079	\$0.079
\$0.079	\$0.079
	\$0.125 \$0.120 \$0.115 \$0.100 \$0.02399 \$0.02399 \$0.02399 \$0.079

A. Per Call Surcharge

In addition to the usage rates above, the following surcharge will be assessed on each completed Option 2 call.

Surcharge (per call) Maximum \$5.00

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.9 XO Prepaid Card Service, (Cont'd.)

3.9.2 Payphone Surcharge

In addition to the usage rates above, the following surcharge will be assessed on each completed call made (regardless of the length of the call) from a public/semi-public payphone using an XO Prepaid card which originates in the contiguous United States and the following non-contiguous U.S. regions, including but not limited to Alaska, Hawaii, Puerto Rico, U.S. Virgin Islands, Guam, Northern Marianas and American Samoa.

		Maximum
Option 1	Surcharge (per call)	\$5.00
Option 2	Surcharge (per call)	\$5.00
Option 3	Surcharge (per call)	\$5.00

3.9.3 Expiration of Prepaid Cards/Rechargeable Cards (Options 1, 2, & 3)

- A. XO's Prepaid Cards will expire on the date specified on the card or package in which the card is included. Some XO Prepaid Cards have a feature whereby the customer may purchase or "recharge" additional amounts of XO Prepaid Card Service to an existing prepaid card in increments of \$10.00. In addition to the regulations set forth above, rechargeable cards are also subject to the following conditions and limitations:
- **B.** Customer may purchase additional units using the recharge feature no more than twice in a 48-hour period.
- C. The rates for a rechargeable card are the same as a non-rechargeable card for the initial purchase, such rates are set forth in Section 3.8.1 above.
- D. All units added through the recharge feature must be paid for by credit card and will be added to the Customer's prepaid card within one day after the credit card used by the Customer has been verified.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.9 XO Prepaid Card Service (Cont'd)

3.9.4 Additional Requirements/Conditions of Service

- A. Only the entity in whose name the original qualifying purchase was made shall be deemed to be the Customer. Related entities, such as affiliates and subsidiaries, spouses and relatives, shall not be treated as the customer.
- B. The following type calls will not be completed using the XO Prepaid Card: calls to 500, 700, 800, 877, 888, 900, 950 numbers, Directory Assistance calls, all Operator Services calls, Conference calls, Busy Line Verification and Interrupt services, calls requiring the quotation of time and charges, High Seas service and Maritime services will not be completed using the XO Prepaid Card.
- C. Neither XO nor any of its authorized agents or contractors shall be liable or responsible for theft, loss or unauthorized use of any XO prepaid cards or card numbers. XO will not refund or issue credit for any unused value on any XO prepaid card.
- **D.** All calls must be charged against a XO Prepaid Card that has a sufficient available balance.
- E. Customer's call will be interrupted with an announcement when the balance is about to be depleted. Such announcement will occur one minute before the balance will be depleted, based on the terminating location of the call.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.9 XO Prepaid Card Service (Cont'd)

3.9.4 Additional Requirements/Conditions of Service (cont'd)

- F. Calls in progress will be terminated by the Company if the balance on the XO Prepaid Card is insufficient to continue the call.
- G. Credit Allowances for Interruptions A credit allowance for XO Prepaid Card service is applicable to that portion of a call that is interrupted due to poor transmission, one-way transmission or involuntary disconnection of the call. To receive the proper credit, the Customer must notify the Company at the designated Customer Service number printed on the XO Prepaid Card and furnish the called number, the trouble experienced (e.g. cut-offs, noisy circuit, etc.) and the approximate time the call was placed. A customer will not receive credit for reaching a wrong number.
- H. Interruptions to Established Calls When a call that is charged to XO Prepaid Card is interrupted due to cut-off, one-way transmission or poor transmission conditions the Customer will receive credit equivalent to the Price Per Minute in effect for that call.
- I. When Credit Allowances Do Not Apply Credit allowances for calls pursuant to XO Prepaid Card service do not apply for:
- J. Interruptions not reported to the Company.

 Interruptions that are due to the failure of power, equipment or systems not provided by the Company, or interruptions caused by the failure of other services provided by this Company which are connected to XO Prepaid Card Service.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.10 Directory Assistance

Directory Assistance service provides a Customer with requested telephone numbers and/or addresses within the state. Customers can reach a Directory Assistance Operator by dialing 411 or (NPA) 555-1212. The Directory Assistance Operator will furnish up to three items per call or will let the Customer know if the requested information cannot be found. Customers will be charged for calls placed to Directory Assistance even when the requested information cannot be found.

3.10.1 Each call to Directory Assistance will be charged as follows:

	Maximum Per Call
IntraLATA	\$1.00
InterLATA	\$1.00

3.10.2 Call Completion Feature

Customers using Company's Directory Assistance Service will have the option of completing calls through Company's Call Completion feature. At the Customer's request, the Directory Assistance Operator will connect the Customer to the requested telephone number. In addition to the per call charge for Directory Assistance listed above, Customers will be charged for the duration of the completed call as follows:

A. Customers placing the call from a telephone line that is subscribed to Company long distance service will be charged according to Customer's current Company rate plan.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.10 Directory Assistance (Cont'd)

3.10.2 Call Completion Feature (Cont'd)

B. Customers placing a call from a telephone line that is subscribed to Company local service only will be charged at the rate listed below per minute for the duration of the completed call.

Maximum

\$1.00

Other than the Directory Assistance per call charge and the applicable usage charges for the completed call, there is no additional charge for using this feature.

3.10.3 A credit will be given for calls to Directory Assistance as follows:

The Customer experiences poor transmission or is cut-off during the call; or

The Customer is given an incorrect telephone number.

To obtain such a credit, the Customer must notify its Customer Service representative within 48 hours of the placement of the call to Directory Assistance

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.11 **Promotions**

The Company may, from time to time, engage in special promotional service offerings designed to attract new customers or to increase existing Customers' awareness of a particular tariff offering. These offerings may be limited to certain dates, times, and/or locations.

3.12 **Customer Specific Pricing**

At the option of the Company, service may be offered through a contract entered into on an individual case basis to meet specialized requirements of the Customer not contemplated in this tariff. The terms of each contract shall be mutually agreed upon between the Customer and Company and may include discounts off of rates contained herein, waiver of recurring or nonrecurring charges, charges for specially designed and constructed services not contained in the Company's general service offerings, or other customized features. The terms of the contract may be based partially or completely on the term and volume commitment, mixture of services or other distinguishing features. Service shall be available to all similarly situated Customers for two months after the initial offering to the first contract Customer for any given set of terms. Unless otherwise specified, the regulations for such arrangements will be in addition to the regulations specified in the Company's applicable tariff(s).

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

The following sections will apply to customers who are served by a Central Office where the former Allegiance Telecom of Arizona, Inc. has facilities and to existing Customers of XO Communications Services, Inc. as of February 7, 2005.

Category Two - Sections 3.13 thru 3.16

3.13 IntraLATA Message Telecommunications Service (MTS)

3.13.1 Description

IntraLATA MTS service is furnished for communication between telephones in different local calling areas within a particular LATA in accordance with the regulations and schedules of charges specified in this Tariff. The MTS service charges specified in this Section are in payment for all service furnished between the calling and called telephone, except as otherwise provided in this Tariff.

IntraLATA MTS calling includes the following types of calls: direct dialed, calling card, collect, 3rd number billed, special MTS billing, person to person calling and other station to station calls.

3.13.2 Classes of Calls

Service is offered as two classes: station to station calling and person to person calling.

- A. Station to Station Service is that service where the person originating the call dials the telephone number desired or gives the Company operator the telephone number of the desired telephone station or system.
- B. Person to Person Service is that service where the person originating the call specifies to the Company operator a particular person to be reached, a particular mobile unit to be reached, or a particular station, department or office to be reached. The call remains a person to person call when, after the telephone, mobile telephone, or PBX system has been reached and while the connection remains established, the person originating the call requests or agrees to talk to any person other than the person specified, or to any other agreed upon alternate.

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.13 IntraLATA Message Telecommunications Service (MTS), (Cont'd.)

3.13.1 Timing of Calls

Unless otherwise indicated, all calls are timed in one minute increments and all calls which are fractions of a minute are rounded up to the next whole minute.

For station to station calls, call timing begins when a connection is established between the calling telephone and the called telephone station.

For person to person calls, call timing begins when connection is established between the calling person and the particular person, station or mobile unit specified or an agreed to alternate.

Call timing ends when the calling station "hangs up," thereby releasing the network connection. If the called station "hangs up" but the calling station does not, chargeable time ends when the network connection is released either by automatic timing equipment in the telephone network or by the Company operator.

Calls originating in one time period as defined in this section and terminating in another will be billed the rates in effect at the beginning of each minute at the originating end of the call.

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SECTION 3 - DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.13 IntraLATA Message Telecommunications Service (MTS), (Cont'd.)

3.13.4 Time Periods Defined

For time of day sensitive services, the following rate periods apply unless otherwise specified in this tariff:

	MON	TUES	WED	THUR	FRI	SAT	SUN
8:00 AM TO 4:59 PM			ME RATE	PERIOD PERIOD			
5:00 PM TO 10:59 PM	C			PERIOD E PERIOI)		EVE
11:00 PM TO 7:59 AM		_		KEND RA			

Calls are billed based on the rate in effect for the actual time period(s) during which the call occurs. Calls that cross rate period boundaries are billed the rates in effect in that boundary for each portion of the call, based on the time of day at the Customer location.

On holidays, Evening/Weekend rates will apply unless a lower rate would normally apply. Holidays include New Year's Day (January 1), Independence Day (July 4), Labor Day (the first Monday in September), Thanksgiving Day (the fourth Thursday in November), and Christmas Day (December 25).

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.13 IntraLATA Message Telecommunications Service (MTS), (Cont'd.)

3.13.5 Intrastate IntraLATA Long Distance Plan

Calls are billed in 60 second increments.

Per minute rate

Maximum \$0.9500

ADMINISTRATIVELY
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Issued: December XX, 2004

SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.14 Uni-rate InterLATA Long Distance Service (ULD)

3.14.1 Description

Uni-Rate Long Distance Service (ULD) is a communications service which is available for use by the Customer twenty-four (24) hours a day. The Customer may originate ULD from locations served by the Company and may terminate in all locations within the state but outside of the LATA from which the call is placed. ULD calls will be billed in six (6) second increments with an initial billing period of eighteen (18) seconds per call.

Month to Month, per minute Term Plan, per minute **Maximum** \$0.5000 \$0.5000

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APPROVED FOR FILING

Issued: December XX, 2004

SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.15 Toll Free 8XX¹ Service

Month to Month, per minute Term Plan, per minute **Maximum** \$0.5000 \$0.5000

Toll free 8XX includes the following toll free codes: 800, 888 and 877.

ADMINISTRATIVELY
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Issued: December XX, 2004

SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.16 Across America 1+ Plans

Across America 1+ service plans are available to Facility- and Resale-based local exchange end users. Across America 1+ Plan rates apply to both direct dialed (1+) and Toll Free Services (TFS). For direct dialed (1+) calls, the customer may originate from locations served by Company local exchange services and may terminate in all locations outside the LATA from which the call is placed. Toll-free calls will be billed in six (6) second increments with an initial billing period of eighteen (18) seconds. Certain plans have additional requirements, which are noted in the plan description below. For toll Free Service (TFS), the following rates apply to all traffic originating and terminating within the state. The following service charges apply to TFS:

Monthly Recurring Charge, per toll-free number (Maximum): \$15.00 Non-Recurring Charge, per toll-free number (Maximum): \$20.00

Across America 9.9 LD/TFS

Customers subscribing to this plan must choose the Company as their interexchange carrier for InterLATA traffic. 1+ IntraLATA usage will be billed at the rates and terms as specified within this tariff.

Intrastate InterLATA Maximum Rate Per Minute	Term Minimum	Toll Usage Minimum
\$0.3300	Month-to-Month	None

Small Business 7.9 LD/TFS

Small Business 7.9 LD plan requires a minimum \$5.00 per month in combined Intrastate InterLATA, Interstate (Continental), and Toll-Free usage. Customers subscribing to this plan must choose the Company as their interexchange carrier for both IntraLATA and InterLATA traffic. 1+ IntraLATA usage will be billed at the rates and terms as specified within this tariff.

Intrastate InterLATA Maximum Rate Per Minute	Term Minimum	Toll Usage Minimum
\$0.3300	Month-to-Month	\$5.00

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SECTION 3 – DESCRIPTION OF SERVICES AND RATES (CONT'D.)

3.16 Across America 1+ Plans, (Cont'd.)

Business Value 6.9 LD/TFS

Business Value 6.9 LD plan requires a minimum one-year term commitment and minimum of \$50.00 per month in combined Intrastate InterLATA, Interstate (Continental), and Toll-Free usage. Customers subscribing to this plan must choose the Company as their interexchange carrier for both IntraLATA and InterLATA traffic. 1+ IntraLATA usage will be billed at the rates and terms as specified within this tariff.

Intrastate InterLATA Maximum Rate Per Minute	Term Minimum	Toll Usage Minimum
\$0.3300	One (1) Year	\$50.00

Business Saver 5.9 LD/TFS

Business Saver 5.9 LD plan requires a minimum one-year term commitment and a minimum of \$200.00 per month in combined Intrastate InterLATA, Interstate (Continental), and Toll-Free usage. Customers subscribing to this plan must choose the Company as their interexchange carrier for both IntraLATA and InterLATA traffic. 1+ IntraLATA usage will be billed at the rates and terms as specified within this tariff.

Intrastate InterLATA Maximum Rate Per Minute	Term Minimum	Toll Usage Minimum
\$0.3300	One (1) Year	\$200.00

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SECTION 4 – GRANDFATHERED SERVICES AND RATES

4.1 Gold and Platinum

Platinum Rate

\$0.0925

4.2 Dedicated Long Distance

Intrastate Long Distance Rates

\$0.0925

The following sections will apply to customers who were served by the former Allegiance Telecom of Arizona, Inc. as of December 15, 2004.

Sections 4.3 thru 4.7

4.3 IntraLATA Message Telecommunications Service (MTS)

4.3.1 Description

IntraLATA MTS service is furnished for communication between telephones in different local calling areas within a particular LATA in accordance with the regulations and schedules of charges specified in this Tariff. The MTS service charges specified in this Section are in payment for all service furnished between the calling and called telephone, except as otherwise provided in this Tariff.

IntraLATA MTS calling includes the following types of calls: direct dialed, calling card, collect, 3rd number billed, special MTS billing, person to person calling and other station to station calls.

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SECTION 4 - GRANDFATHERED SERVICES AND RATES, (CONT'D.)

4.3 IntraLATA Message Telecommunications Service (MTS), (Cont'd.)

4.3.2 Classes of Calls

Service is offered as two classes: station to station calling and person to person calling.

- A. Station to Station Service is that service where the person originating the call dials the telephone number desired or gives the Company operator the telephone number of the desired telephone station or system.
- B. Person to Person Service is that service where the person originating the call specifies to the Company operator a particular person to be reached, a particular mobile unit to be reached, or a particular station, department or office to be reached. The call remains a person to person call when, after the telephone, mobile telephone, or PBX system has been reached and while the connection remains established, the person originating the call requests or agrees to talk to any person other than the person specified, or to any other agreed upon alternate.

4.3.3 Timing of Calls

Unless otherwise indicated, all calls are timed in one minute increments and all calls which are fractions of a minute are rounded up to the next whole minute.

For station to station calls, call timing begins when a connection is established between the calling telephone and the called telephone station.

For person to person calls, call timing begins when connection is established between the calling person and the particular person, station or mobile unit specified or an agreed to alternate.

Call timing ends when the calling station "hangs up," thereby releasing the network connection. If the called station "hangs up" but the calling station does not, chargeable time ends when the network connection is released either by automatic timing equipment in the telephone network or by the Company operator.

Calls originating in one time period as defined in this section and terminating in another will be billed the rates in effect at the beginning of each minute at the originating end of the call.

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SECTION 6 - GRANDFATHERED SERVICES AND RATES, (CONT'D.)

4.3 IntraLATA Message Telecommunications Service (MTS), (Cont'd.)

4.3.4 Time Periods Defined

For time of day sensitive services, the following rate periods apply unless otherwise specified in this tariff:

	MON	TUES	WED	THUR	FRI	SAT	SUN
8:00 AM		DAYTIM	IE RATE	PERIOD			
ТО			K RATE				
4:59 PM		OKILA	K KAIL	LICIOD			
5:00 PM		FVENIN	G RATE	PERIOD			
ТО				E PERIOI)		EVE
10:59 PM		ACOIT II		LIDIGO			
11:00 PM		NIC	LIT/WEE	KEND RA	TE DED	IOD	
ТО	,						
7:59 AM			K OFF P	EAK RAT	E PERIO	υ 	

Calls are billed based on the rate in effect for the actual time period(s) during which the call occurs. Calls that cross rate period boundaries are billed the rates in effect in that boundary for each portion of the call, based on the time of day at the Customer location.

On holidays, Evening/Weekend rates will apply unless a lower rate would normally apply. Holidays include New Year's Day (January 1), Independence Day (July 4), Labor Day (the first Monday in September), Thanksgiving Day (the fourth Thursday in November), and Christmas Day (December 25).

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SECTION 6 - GRANDFATHERED SERVICES AND RATES, (CONT'D.)

- IntraLATA Message Telecommunications Service (MTS), (Cont'd.) 4.3
 - 4.3.5 Intrastate IntraLATA Long Distance Plan

Calls are billed in 60 second increments.

Per minute rate

Maximum \$0.9500

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Issued: January 6, 2005

SECTION 6 - GRANDFATHERED SERVICES AND RATES, (CONT'D.)

4.4 Uni-rate InterLATA Long Distance Service (ULD)

4.4.1 Description

Uni-Rate Long Distance Service (ULD) is a communications service which is available for use by the Customer twenty-four (24) hours a day. The Customer may originate ULD from locations served by the Company and may terminate in all locations within the state but outside of the LATA from which the call is placed. ULD calls will be billed in six (6) second increments with an initial billing period of eighteen (18) seconds per call.

Month to Month, per minute Term Plan, per minute **Maximum** \$0.5000 \$0.5000

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SECTION 6 - GRANDFATHERED SERVICES AND RATES, (CONT'D.)

Toll Free 8XX¹ Service 4.5

> Month to Month, per minute Term Plan, per minute

Maximum \$0.5000 \$0.5000

Toll free 8XX includes the following toll free codes: 800, 888 and 877.

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Issued: January 6, 2005

SECTION 6 - GRANDFATHERED SERVICES AND RATES, (CONT'D.)

4.6 Across America 1+ Plans

Across America 1+ service plans are available to Facility- and Resale-based local exchange end users. Across America 1+ Plan rates apply to both direct dialed (1+) and Toll Free Services (TFS). For direct dialed (1+) calls, the customer may originate from locations served by Company local exchange services and may terminate in all locations outside the LATA from which the call is placed. Toll-free calls will be billed in six (6) second increments with an initial billing period of eighteen (18) seconds. Certain plans have additional requirements, which are noted in the plan description below. For toll Free Service (TFS), the following rates apply to all traffic originating and terminating within the state. The following service charges apply to TFS:

Monthly Recurring Charge, per toll-free number (Maximum): \$15.00 Non-Recurring Charge, per toll-free number (Maximum): \$20.00

Across America 9.9 LD/TFS

Customers subscribing to this plan must choose the Company as their interexchange carrier for InterLATA traffic. 1+ IntraLATA usage will be billed at the rates and terms as specified within this tariff.

Intrastate InterLATA Maximum Rate Per Minute	Term Minimum	Toll Usage Minimum
\$0.3300	Month-to-Month	None

Small Business 7.9 LD/TFS

Small Business 7.9 LD plan requires a minimum \$5.00 per month in combined Intrastate InterLATA, Interstate (Continental), and Toll-Free usage. Customers subscribing to this plan must choose the Company as their interexchange carrier for both IntraLATA and InterLATA traffic. 1+ IntraLATA usage will be billed at the rates and terms as specified within this tariff.

Intrastate InterLATA Maximum Rate Per Minute	Term Minimum	Toll Usage Minimum
\$0.3300	Month-to-Month	\$5.00

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SECTION 6 - GRANDFATHERED SERVICES AND RATES, (CONT'D.)

Across America 1+ Plans, (Cont'd.) 4.6

Business Value 6.9 LD/TFS

Business Value 6.9 LD plan requires a minimum one-year term commitment and minimum of \$50.00 per month in combined Intrastate InterLATA, Interstate (Continental), and Toll-Free usage. Customers subscribing to this plan must choose the Company as their interexchange carrier for both IntraLATA and InterLATA traffic. 1+ IntraLATA usage will be billed at the rates and terms as specified within this tariff.

Intrasta	te Inte	erL	ATA
Maximum	Rate 3	Per	Minute

Term Minimum

Toll Usage Minimum

\$0.3300

One (1) Year

\$50.00

Business Saver 5.9 LD/TFS

Business Saver 5.9 LD plan requires a minimum one-year term commitment and a minimum of \$200.00 per month in combined Intrastate InterLATA, Interstate (Continental), and Toll-Free usage. Customers subscribing to this plan must choose the Company as their interexchange carrier for both IntraLATA and InterLATA traffic. 1+ IntraLATA usage will be billed at the rates and terms as specified within this tariff.

Intrasta	te Int	terL	ATA
Maximum	Rate	Per	Minute

Term Minimum

Toll Usage Minimum

\$0.3300

One (1) Year

\$200.00

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SECTION 6 - GRANDFATHERED SERVICES AND RATES, (CONT'D.)

4.7 **Current Rates**

IntraLATA Message Telecommunications Service (MTS)

Per minute rate

\$0.0900

Uni-rate InterLATA Long Distance Service (ULD)

	Per Minute
Month to Month, per minute	\$0.1344
Term Plan, per minute	\$0.1344

Toll Free 8XX Service

	Per Minute
Month to Month, per minute	\$0.1344
Term Plan, per minute	\$0.1344

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SECTION 5 - CURRENT RATES AND CHARGES

The following sections will apply to customers who are served by a Central Office where the former XO Arizona, Inc. has facilities and to existing Customers of XO Communications Services, Inc. as of February 7, 2005.

Category One - Sections 5.1 thru 5.6

5.1 Gold and Platinum

Platinum Rate

\$0.090

\$4.95

MDC

Effective June 21, 2003, for new service orders only, the Platinum Rate listed above will be replaced with the new rate below.

Platinum Rate	\$0.086
Gold Rate	\$0.140
Payphone Surcharge	\$0.30
Calling Card	\$0.20 per MOU
Operator Assistance	
Direct Connect/Station to Station	\$1.05

	Automated	Live Operator
Credit Card/Calling Card	\$1.00	\$2.00
Third Number Billed	\$2.25	\$2.25
Collect Calling	\$2.00	\$3.00
Person to Person	\$3.00	\$3.00
Station to Station	\$1.80	\$1.80

Optional Features

Direct Connect/Person to Person

	MINC	MAC
Verified Account Codes, 1-100	\$10.00	\$25.00
Verified Account Codes, per 100 after 1st 100	\$10.00	\$25.00
Changes to Verified Account Codes, per change	N/A	\$30.00

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SECTION 5 - CURRENT RATES AND CHARGES, (CONT'D.)

5.2 Dedicated Long Distance

Intrastate Long Distance Rates

\$0.090

Effective June 21, 2003, for new service orders only, the Platinum Rate listed above will be replaced with the new rate below.

Intrastate Long Distance Rate		\$0.086
	MRC	NRC
Verified Account Codes, 1-100	\$10.00	\$25.00
Verified Account Codes, per 100 after 1st 100	\$10.00	\$25.00
Changes to Verified Account Codes, per change	N/A	\$30.00
Toll Free Number – Per number	\$1.50	N/A
Toll Free Number Directory Listing, 1-4 listings	\$10.00	\$20.00
Toll Free Number Directory Listing, 5-10 listings	\$15.00	\$25.00
Toll Free – Real Time ANI	\$100.00	\$200.00
Toll Free - Digital Number Identification Service	\$35.00	\$75.00
Toll Free - Call Blocking/Area Code, per change	N/A	\$100.00
Toll Free – Overflow to Dedicated	N/A	\$50.00
Toll Free – Overflow to Switched	N/A	\$50.00

Operator Service Surcharges

	Automated	Live Operator
Credit Card/Calling Card	\$0.50	\$1.50
Third Number Billing	\$0.65	\$1.50
Collect Calling	\$0.65	\$1.50
Person to Person	\$1.30	\$2.50
Station to Station	\$1.30	\$2.00
Directory Assistance	\$.065	
Direct Connect/Station to Station	\$1.05	
Direct Connect/Person to Person		\$4.95

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SECTION 5 - CURRENT RATES AND CHARGES, (CONT'D.)

5.3 **Private Line Service**

5.3.1 **DS-1 Transport Rates**

В. Rates for Off-Net Customers - one or both ends of circuit terminates at a location off of XO's network.

Minimum Monthly Revenue Commitment			\$250.00	
Term:	1 Year	2 Year	3 Year	
Installation (non-recurring)	\$500.00	\$500.00	\$500.00	
Channel Mileage				
Monthly Recurring				
Charge Per DS0 Mile	\$.099	\$.096	\$.091	

C. Rates for On-Net Customers - both ends of circuit terminate on XO's network. These rates are no longer effective after December 14, 2001.

Minimum Monthly Revenue Commitment			\$250.00
Term:	1 Year	2 Year	3 Year
Installation (non-recurring)	\$500.00	\$500.00	Waived
Channel Mileage			
Monthly Recurring			
Charge Per DS0 Mile	\$.080	\$.075	\$.070

These rates are no longer effective after December 14, 2001.

Installation (non-recurring)			
Term:	1 Year	2 Year	3 Year
\$500.00		\$475.00	\$450.00
Monthly Revenue			
\$0 - \$100,000	\$.048	\$.0456	\$.0432
\$100,001 - \$300,000	\$.0468	\$.04446	\$.04212
\$300,001 - \$1,000,000	\$.0456	\$.04332	\$.04104
\$1,000,001 - \$2,000,000	\$.0444	\$.04218	\$.03996
\$2,000,001 +	\$.0432	\$.04104	\$.03888

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SECTION 5 - CURRENT RATES AND CHARGES, (CONT'D.)

5.3 Private Line Service, (Cont'd.)

5.3.1 DS-1 Transport Rates, (cont'd.)

D. Rates for "Forward" Customers - both ends of circuit anticipated to terminate on XO's network within 24 months of service start date.

	Minimum Monthly Revenue Commitment			\$250.00
	Term: Installation (non-recurring) Channel Mileage	1 Year N/A	2 Year \$500.00	3 Year Waived
	Monthly Recurring Charge Per DS0 Mile	N/A	\$.075	\$.070
E.	Other Non-recurring charges			
	Canonianor Prior to more		\$100.00 \$300.00	

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SECTION 5 - CURRENT RATES AND CHARGES, (CONT'D.)

5.3 Private Line Service (Cont'd)

5.3.2 DS-3 Transport Rates, (cont'd.)

B. Rates for Off-Net Customers - one or both ends of circuit terminates at a location off of XO's network.

Minimum Monthly Revenue Commi	\$200.00		
Term:	1 Year	2 Year	3 Year
Installation (non-recurring)	\$2000.00	\$2000.00	\$2000.00
Channel Mileage			
Monthly Recurring			
Charge Per DS0 Mile	\$.045	\$.045	\$.045

C. Rates for On-Net Customers - both ends of circuit terminate on XO's network. These rates are no longer effective after December 14, 2001.

Minimum Monthly Revenue Commitment			\$2000.00
Term:	1 Year	2 Year	3 Year
Installation (non-recurring)	\$2000.00	\$2000.00	Waived
Channel Mileage			
Monthly Recurring			
Charge Per DS0 Mile	\$.040	\$.036	\$.033
Term:	1 Year	2 Year	3 Year
	\$2000.00	\$2000.00	\$2000.00
Monthly Revenue			
\$0 - \$100,000	\$.0144	\$.01368	\$.01296
\$100,001 - \$300,000	\$.01416	\$.01356	\$.012852
\$100,001 - \$300,000 \$300,001 - \$1,000,000	\$.01416 \$.01416	\$.01356 \$.013452	\$.012852 \$.012744
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SECTION 5 - CURRENT RATES AND CHARGES, (CONT'D.)

5.3 Private Line Service (Cont'd)

5.3.2 DS-3 Transport Rates, (cont'd.)

D. Rates for "Forward" Customers - both ends of circuit anticipated to terminate on XO's network within 24 months of service start date.

	Minimum Monthly Revenue Commitment			\$2000.00
	Term: Installation (non-recurring) Channel Mileage	1 Year N/A	2 Year \$2000.00	3 Year \$2000.00
	Monthly Recurring Charge Per DS0 Mile	N/A	\$.036	\$.033
E.	Non-recurring charges			
	Cancellation prior to install Cancellation during install, prior to a	cceptance		\$100.00 \$300.00
	Monthly Recurring Charge 3-1 Mux			\$500.00

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SECTION 5 - CURRENT RATES AND CHARGES, (CONT'D.)

5.3 Private Line Service (Cont'd)

5.3.3 OC-3 Transport Rates

A. Rates for Off-Net Customers - one or both ends of circuit terminate at a location off of XO's network.

Minimum Monthly Revenue Commitment			ICB
Term:	1 Year	2 Year	3 Year
Installation (non-recurring)	\$5000.00	\$5000.00	\$5000.00
Channel Mileage			
Monthly Recurring			
Charge Per DS0 Mile	ICB	ICB	ICB

B. Rates for On-Net Customers - both ends of circuit terminate on XO's network. These rates are no longer available to new customers after December 14, 2001.

Minimum Monthly Revenue Commitment			ICB
Term:	1 Year	2 Year	3 Year
Installation (non-recurring)	\$5000.00	\$5000.00	Waived
Channel Mileage			
Monthly Recurring			
Charge Per DS0 Mile	ICB	ICB	ICB

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SECTION 5 - CURRENT RATES AND CHARGES, (CONT'D.)

5.3 Private Line Service (Cont'd)

5.3.3 OC-3 Transport Rates, (cont'd.

C. Rates for On-Net Customers – both ends of circuit terminate on XO's network. These rates are available to customers who sign up for service on or after December 14, 2001.

Term:	1 Year	2 Year	3 Year
	\$5000.00	\$4750.00	\$4500.00
Monthly Revenue			
\$0 - \$100,000	\$.007836	\$.007447	\$.007055
\$100,001 - \$300,000	\$.007722	\$.007336	\$.00695
\$300,001 - \$1,000,000	\$.007605	\$.007225	\$.006845
\$1,000,001 - \$2,000,000	\$.007488	\$.007114	\$.006739
\$2,000,001 +	\$.007371	\$.007002	\$.006634

D. Rates for "Forward" Customers - both ends of circuit anticipated to terminate on XO's network within 24 months of service start date.

Minimum Monthly Revenue Commitment			ICB
Term:	1 Year	2 Year	3 Year
Installation (non-recurring)	N/A	\$5000.00	\$5000.00
Channel Mileage			
Monthly Recurring			
Charge Per DS0 Mile	N/A	ICB	ICB

E. Non-recurring charges

Cancellation prior to install	\$150.00
Cancellation during install, prior to acceptance	\$600.00

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SECTION 5 - CURRENT RATES AND CHARGES, (CONT'D.)

5.3 Private Line Service (Cont'd)

5.3.4 OC-12 Transport Rates

	1 Year	2 Year	3 Year
Installation (non-recurring)	\$10,000.00	\$9,500.00	\$9,000.00
Monthly Revenue			
\$0 - \$100,000	\$.00924	\$.008778	\$.008316
\$100,001 - \$300,000	\$.009108	\$.008653	\$.008197
\$300,001 - \$1,000,000	\$.008976	\$.008527	\$.008078
\$1,000,001 - \$2,000,000	\$.008844	\$.008402	\$.00796
\$2,000,001 +	\$.008712	\$.008276	\$.007841

5.3.5 OC-48 Transport Rates

	1 Year	2 Year	3 Year
Installation (non-recurring)	\$30,000.00	\$28500.00	\$27,000.00
Monthly Revenue			
\$0 - \$100,000	\$.00792	\$.007524	\$.007128
\$100,001 - \$300,000	\$.007776	\$.007387	\$.006998
\$300,001 - \$1,000,000	\$.007632	\$.00725	\$.006969
\$1,000,001 - \$2,000,000	\$.00788	\$.007114	\$.006739
\$2,000,001 +	\$.007344	\$.006977	\$.00661

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SECTION 5 - CURRENT RATES AND CHARGES, (CONT'D.)

Employee Long Distance Program 5.4

	Per Minute
InterLATA Long Distance	\$0.06
IntraLATA Long Distance	\$0.06
InterLATA Toll Free	\$0.06
IntraLATA Toll Free	\$0.06

5.5 **XO Prepaid Card Service**

Per Call Surcharge	\$0.71999
Option 1 Payphone Surcharge Option 2 Payphone Surcharge	\$0.35 \$0.69
Option 3 Payphone Surcharge	\$0.69

5.6 **Directory Assistance**

\mathbf{P}_{0}	er Call
IntraLATA \$6	0.75
InterLATA \$0	0.75

\$0.10 per MOU Call Completion Feature

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SECTION 5 - CURRENT RATES AND CHARGES, (CONT'D.)

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Category Two - Sections 5.7 thru 5.10

IntraLATA Message Telecommunications Service (MTS) 5.7

Per minute rate

\$0.0900

Uni-rate InterLATA Long Distance Service (ULD) 5.8

Per Minute Month to Month, per minute \$0.1344 \$0.1344 Term Plan, per minute

5.9 **Toll Free 8XX Service**

Per Minute \$0.1344 Month to Month, per minute \$0.1344 Term Plan, per minute

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SECTION 5 - CURRENT RATES AND CHARGES, (CONT'D.)

5.10 Across America 1+ Plans

Monthly Recurring Charge, per toll-free number:

Non-Recurring Charge, per toll-free number:

Per Minute

\$ 5.00 \$10.00

9.9 LD/TFS

Intrastate InterLATA Maximum Rate Per Minute

Term Minimum

Toll Usage Minimum

\$0.1100

Month-to-Month

None

Small Business 7.9 LD/TFS

Intrastate InterLATA Maximum Rate Per Minute

Term Minimum

Toll Usage Minimum

\$0.1100

Month-to-Month

\$5.00

Business Value 6.9 LD/TFS

Intrastate InterLATA Maximum Rate Per Minute

Term Minimum

Toll Usage Minimum

\$0.1100

One (1) Year

\$50.00

Business Saver 5.9 LD/TFS

Intrastate InterLATA Maximum Rate Per Minute

Term Minimum

Toll Usage Minimum

\$0.1100

One (1) Year

\$200.00

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